



STRATEGIC MARKET PERSPECTIVE

User Satisfaction with Financial Software Packages

U.S. Market Analysis Program

M A R C H 1 9 9 7

User Satisfaction with Financial Software Packages

INPUT®

Frankfurt • London • New York • Paris • San Francisco • Tokyo • Washington D.C.

About INPUT

- Clients make informed decisions more quickly and economically by using INPUT's services. Since 1974, information technology (IT) users and vendors throughout the world have relied on INPUT for data, research, objective analysis and insightful opinions to prepare their plans, market assessments and business directions, particularly in computer software and services.

Contact us today to learn how your company can use INPUT's knowledge and experience to grow and profit in the revolutionary IT world of the approaching millennium.

SUBSCRIPTION SERVICES

- Information Services Markets
 - Worldwide and country data
 - Vertical industry analysis
- Systems Integration/Professional Services
- Client/Server Software
- Outsourcing
- Information Services Vendor Profiles and Analysis
- Internet Opportunities
- Electronic Commerce
- U.S. Federal Government IT Markets
- IT Customer Services Directions (Europe)
- Software Support (Europe)

SERVICE FEATURES

- Research-based reports on trends, etc. (More than 100 in-depth reports per year.)
- Frequent bulletins on events, issues, etc.
- 5-year market forecasts
- Competitive analysis
- Access to experienced consultants
- Immediate answers to questions
- On-site presentations
- Electronic report delivery

DATABASES

- Software and Services Market Forecasts
- Software and Services Vendors
- U.S. Federal Government
 - Procurement plans (PAR, APR)
 - Market Forecasts
 - Awards (FAIT)

CUSTOM PROJECTS

- For Vendors—Analyze:
 - Market strategies and tactics
 - Product/service opportunities
 - Customer satisfaction levels
 - Competitive positioning
 - Acquisition targets
- For Buyers—Evaluate:
 - Specific vendor capabilities
 - Outsourcing options
 - Systems plans
 - Peer position

OTHER SERVICES

- Acquisition/partnering searches



Contact INPUT at: info@input.com, or <http://www.input.com>

Frankfurt • Perchstaten 16, D-35428, Langgöns, Germany, Tel. +49 (0) 6403 911 420, Fax +49 (0) 6403 911 413

London • Cornwall House, 55-77 High Street, Slough, Berkshire, SL1 1DZ, England, Tel. +44 (0)1753 530444, Fax +44 (0)1753 577311

New York • 400 Frank W. Burr Blvd., Teaneck, NJ 07666, USA, Tel. (201) 801-0050, Fax (201) 801-0441

Paris • 24, avenue du Recteur Poincaré, 75016, Paris, France, Tel. +33 (1) 46 47 65 65, Fax +33 (1) 46 47 69 50

San Francisco • 1881 Landings Drive, Mountain View, CA 94043, USA, Tel. (415) 961-3300, Fax (415) 961-3966

Tokyo • 6F#B, Mitoshiro Bldg., 1-12-12, Uchikanda Chiyoda-ku, Tokyo 101, Japan, Tel. +81 3 3219-5441, Fax +81 3 3219-5443

Washington, D.C. • 1921 Gallows Road, Suite 250, Vienna, VA 22182, USA, Tel. (703) 847-6870, Fax (703) 847-6872

Abstract

This report examines user satisfaction with financial software packages of five leading vendors.

The products are compared based on the relative importance and the satisfaction of existing users of the software in each of twelve categories. Analysis is provided for each of the categories and for each vendor.

Recommendations for improvement in both the packages and the related service are included in the report. Also included is analysis to indicate where vendors may need more market intelligence to bolster their marketing and selling efforts.

This report consists of 42 pages and 25 exhibits.

Published by
INPUT
1881 Landings Drive
Mountain View, CA 94043-0848
United States of America

**U.S. Information Services Market
Analysis Program**

User Satisfaction with Financial Software Packages

Copyright © 1997 by INPUT. All rights reserved. Printed in the United States of America. No part of the publication may be reproduced or distributed in any form, or by any means, or stored in a database or retrieval system, without the prior written permission of the publisher.

The information provided in this report shall be used only by the employees of and within the current corporate structure of INPUT's clients, and will not be disclosed to any other organization or person including parent, subsidiary, or affiliated organization without prior written consent of INPUT.

INPUT exercises its best efforts in preparation of the information provided in this report and believes the information contained herein to be accurate. However, INPUT shall have no liability for any loss or expense that may result from incompleteness or inaccuracy of the information provided.

Table of Contents

I	Introduction	1
	A. Purpose	1
	B. Scope	1
	C. Methodology and Conduct of the Work	2
	D. Organization of This Report	3
	E. Related Reports	3
II	Executive Overview	5
	A. Factors of Importance to Users	6
	B. Factors of User Satisfaction	8
	C. Gap Analysis	9
	D. Importance of References in the Selection Process	11
	E. Overall Vendor Ratings	13
	F. Conclusions and Recommendations	14
III	Analysis by Vendor	17
	A. Dun & Bradstreet Software	17
	1. Satisfaction	17
	2. User Comments	17
	B. Hyperion	19
	1. Satisfaction	19
	2. User Comments	21
	C. Oracle	21
	1. Satisfaction	21
	2. User Comments	22
	D. PeopleSoft	22
	1. Satisfaction	22
	2. User Comments	23
	E. SAP	24
	1. Satisfaction	24
	2. User Comments	25
	F. Conclusion	25

IV	Analysis of Satisfaction Factor	27
	A. Major Factors for Users	27
	B. Analysis by Factor	28

Appendix A		41
	Questionnaire	41

Exhibits

II

-1 Factors Contributing to Importance	7
-2 Factors of User Satisfaction	8
-3 Gap Between Importance and Satisfaction	10
-4 Importance of Customer Satisfaction in Purchasing Financial Software	11
-5 Percent of Customers Able to Obtain Information on Customer Satisfaction	12
-6 Overall Satisfaction with Financial Application Software	13
-7 Conclusions and Recommendations	14

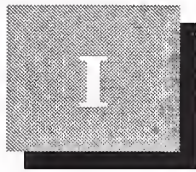
III

-1 Dun & Bradstreet Software User Ratings	18
-2 Hyperion User Ratings	20
-3 Oracle User Ratings of Satisfaction and Importance	21
-4 PeopleSoft User Ratings of Satisfaction and Importance	23
-5 SAP User Ratings of Satisfaction and Importance	24

IV

-1 Consolidated User Ratings of Importance and Satisfaction	28
-2 User Ratings of Vendors—Ability of Solution to Meet Business Needs	29
-3 User Ratings of Vendors—Accessibility of Information in the Application	30
-4 User Ratings of Vendors—Flexibility of Solution	31
-5 User Ratings of Vendors—Ease of Use	32
-6 User Ratings of Vendors—Ability to Produce Reports	33
-7 User Ratings of Vendors—Ongoing Support	34
-8 User Ratings of Vendors—Ease of Learning to Use the Application	35
-9 User Ratings of Vendors—Vendor Reputation	36
-10 User Ratings of Vendors—Education and Training	37
-11 User Ratings of Vendors—Time to Implement the Application	38
-12 User Ratings of Vendors—Ability of Implementation Team	39
-13 User Ratings of Vendors—Graphical Appeal of Application	40

(Blank)



Introduction

A

Purpose

The purpose of this study is to:

- Assess the importance of factors affecting the selection and use of financial software packages
- Measure user satisfaction of leading financial software packages
- Identify areas in which vendors of financial application software packages should concentrate marketing and sales messages
- Identify areas in which vendors of financial application software packages should improve the product and /or level of service so that shortfalls in user satisfaction are eliminated

B

Scope

The study measured the importance and satisfaction of customers across a number of factors, including:

- How well a vendor's products meet business and functional needs
- Information accessibility
- Product flexibility for responding to changing business needs
- Ease of use
- Ongoing support and hotline assistance

- Ease of learning
- Education/training offered
- Vendor reputation in client/server budgeting, accounting and financial applications
- Time to implement product
- Vendor implementation team

C

Methodology and Conduct of the Work

INPUT conducted telephone interviews of randomly selected users of the following vendors' products:

- D&B Software
- Hyperion
- Oracle
- PeopleSoft
- SAP

INPUT interviewed a person knowledgeable about the product who could answer questions in the areas listed in the "Scope". The typical respondent had the title of Director, Manager, or Controller.

All of the users are based in the United States.

INPUT interviewed 179 companies, spread evenly across the five vendors listed above. Respondents' identities were not linked to specific answers. Respondents were offered an executive summary as an incentive to take part in the study.

After the interviews were conducted, the contents were entered into a database for analysis and retrieval. Open-ended questions were classified and coded.

D

Organization of This Report

This report contains the following sections:

Chapter I - Introduction

Chapter II - Executive Summary

Chapter III - Analysis by Vendor

Chapter IV - Analysis of Satisfaction Factors

Appendix A - The Questionnaire

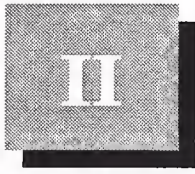
E

Related Reports

Related reports from INPUT that may be of interest include:

- *US Information Services Market Compendium, 1995-2000*
- *Revolutionary Changes in Hospital IT Applications*
- *Critical IT Applications in the Media Industry*
- *Critical Applications in the Travel and Lodging Industry*

(Blank)



Executive Overview

The financial application software package market is the largest of the markets for cross-industry software. It is forecast to be \$4.3 billion in the US in 1996, this accounts for 35% of the market for cross-industry application software packages.

This study examined user satisfaction and user importance associated with financial software packages. The study considered the user views with regard to the following factors :

- How well the solution meets business needs
- The flexibility of the solution in responding to changing business needs
- The graphical appeal of the software
- How well the software produces transaction and/or summary reports
- Accessibility of information (e.g., for ad hoc reports)
- Ease of learning the software
- Ease of use of the software
- Education/training
- Time to implement the solution
- Implementation team supplied by vendor
- Ongoing support (during and after implementation)
- Vendor reputation (for financial solutions)

The perceptions of the users are reflected in detail by vendor and analysis of these perceptions are presented in this report.

This report also analyzes the data to provide insight into the buying criteria of users of financial software packages.

A

Factors of Importance to Users

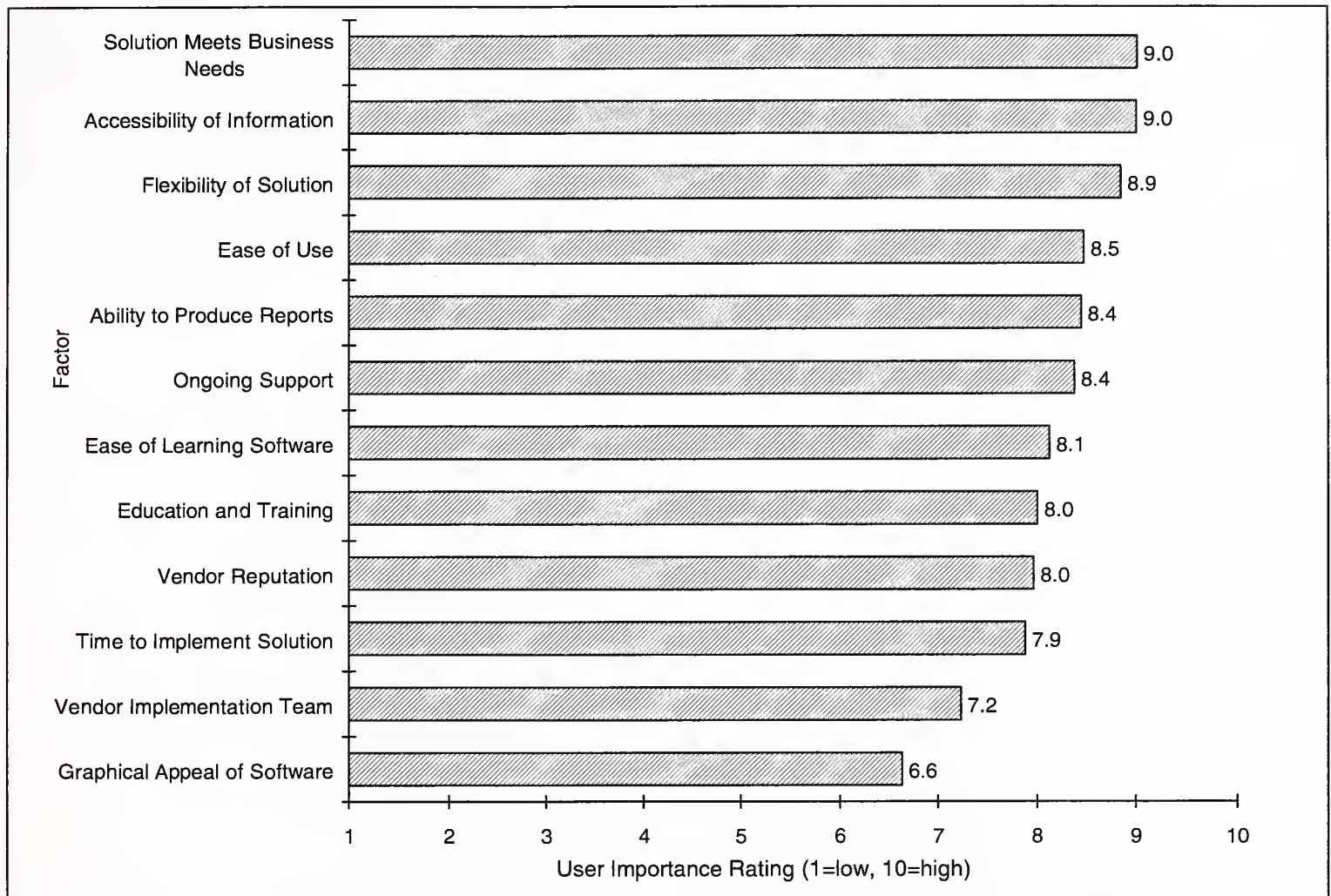
It is significant that when consolidated across all vendors the ratings of importance ranged from 6.6 to 9.0. This shows the users placed high importance on virtually all of the factors. Most often, in studies like this, there is a bell shaped curve with a small number of factors showing high importance and many more showing lesser importance.

Furthermore, in 10 out of 12 cases, the average rating of importance was 8 or greater (on a scale of 10) — these are very demanding requirements. The conclusion is that financial software packages must address the full spectrum of user needs in order to be accepted and successful in the marketplace.

This means that a high priority for vendors is to package and sell the full range of capabilities of their financial software products. While this report will point out some other ideas for packaging and selling, the first hurdle will be to convince the user community that the product adequately addresses all of the factors described above.

Of the 12 potential factors of importance, the top three factors address how well the products satisfied business and functional needs or processes. See Exhibit II-1.

Exhibit II-1

Factors Contributing to Importance

Source: INPUT

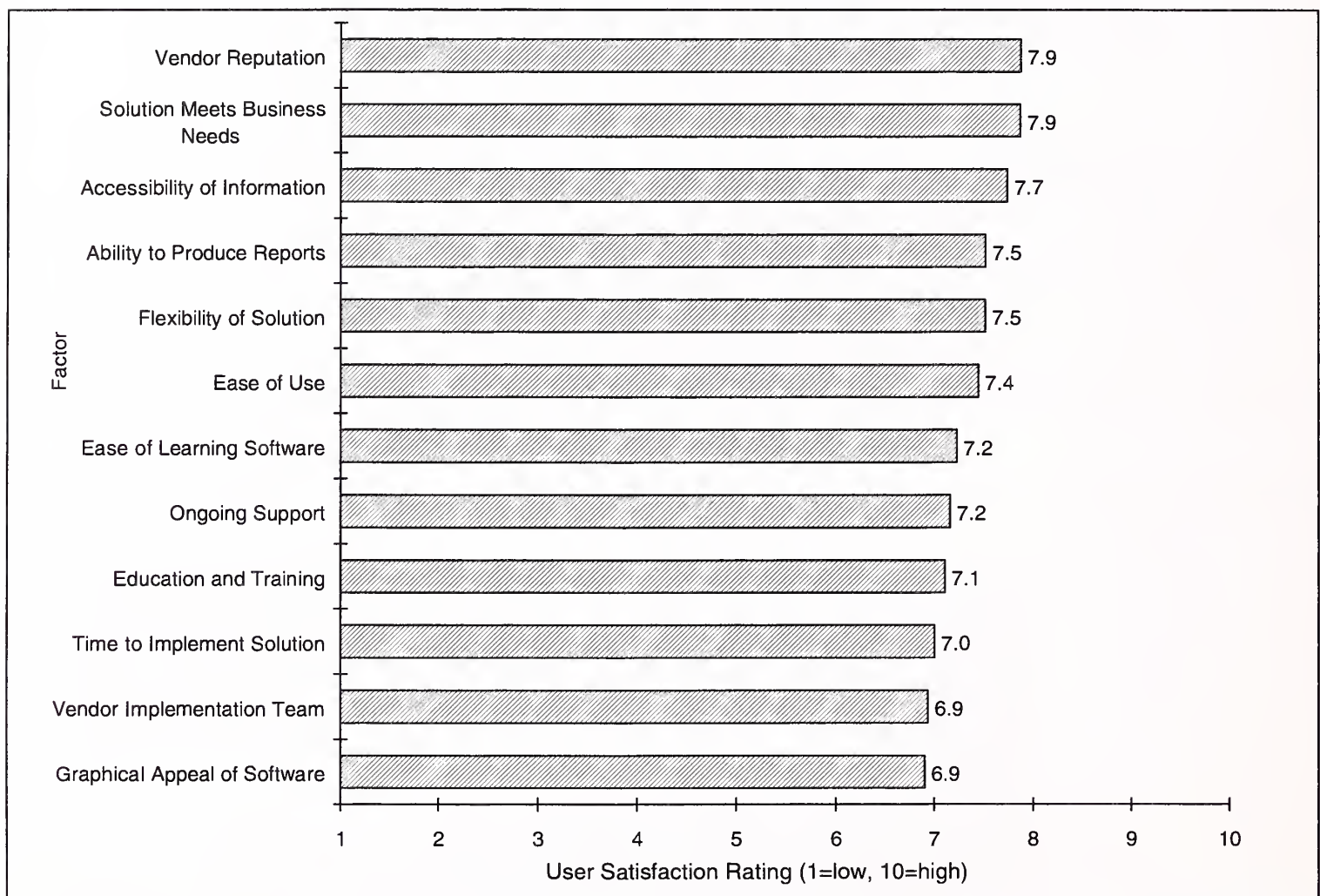
It is also significant that the factors relating to support all ranked 8.0 or higher. This is consistent with other Input research which shows users are very concerned about the total cost of software, including on-going support, training, help desks and so on. To some extent most users will attempt to factor these costs into their evaluation, over and above the price of the package itself.

Three of the four lowest scoring factors, vendor reputation, time to implement solution and vendor implementation team are mostly factors of importance in vendor selection, not on-going factors of operation. While these may be low priority to the software development group, they should be high priority for marketing planning and execution.

B**Factors of User Satisfaction**

Of the 12 potential satisfaction factors, the factors that were at the top of importance list are equally high factors of satisfaction. Those factors related to how well the products satisfied business and functional needs or processes. See Exhibit II-2. While this seems to indicate that vendors are getting their product efforts in line with user desires, Input believes there is still room for improvement and areas where the vendors are out of step with users and these will be discussed in various sections of this report.

Exhibit II-2

Factors Contributing to Satisfaction

Source: INPUT

However, when it comes to satisfaction, one area that was near the bottom of the criteria for importance is now at the top of the list for satisfaction and that factor is vendor reputation. While this may indicate satisfaction with the vendor, it is more likely that it means the users are satisfied with their decision or defending their decision.

Again it is significant that the ratings ranged from 6.6 to 7.9. This shows the users placed relatively high satisfaction on virtually all of the factors. Once again not the usual bell curve.

In 10 out of 12 cases, the average rating of importance was 7 or greater (on a scale of 10). The conclusion here is that these packages appear to be meeting user needs rather nicely. However, the next view of this picture disputes this.

C

Gap Analysis

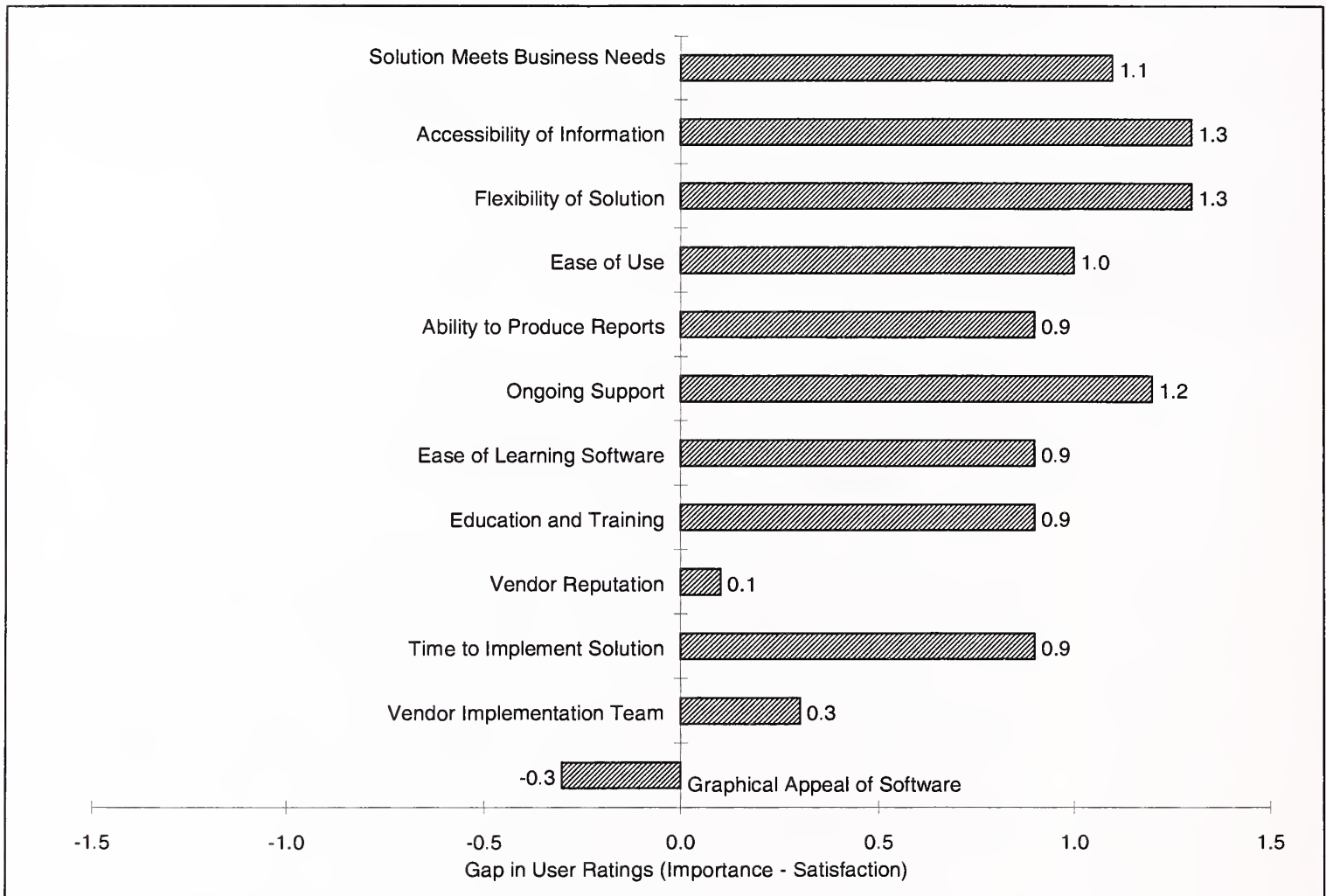
In several instances there is a wide gap between the average ratings for importance and satisfaction. In 5 of the 12 categories the gap is 1.0 or greater. This indicates a problem and means that vendors should not become complacent. In fact, in 5 of the 6 most important factors the gap is greater than 1.0. See Exhibit II-3.

The two areas with the widest gap, Flexibility and Accessibility, are also highly important factors, especially since they affect both day to day operations and the issue of support and support costs.

In total, there is a gap of 0.9 or greater in 9 of the 12 categories. However, the real concern is in those three factors where the gap is 1.2 or greater — these are the categories where vendors should place the greatest emphasis in product development, and customer support.

The only category where the satisfaction exceeds the importance is the Graphic Interface factor. Since this is also the least important factor to users the message should be obvious; vendors must place their highest priority on the factors users deem important, not those they “think” will differentiate their product.

Exhibit II-3

Gap Between Importance and Satisfaction

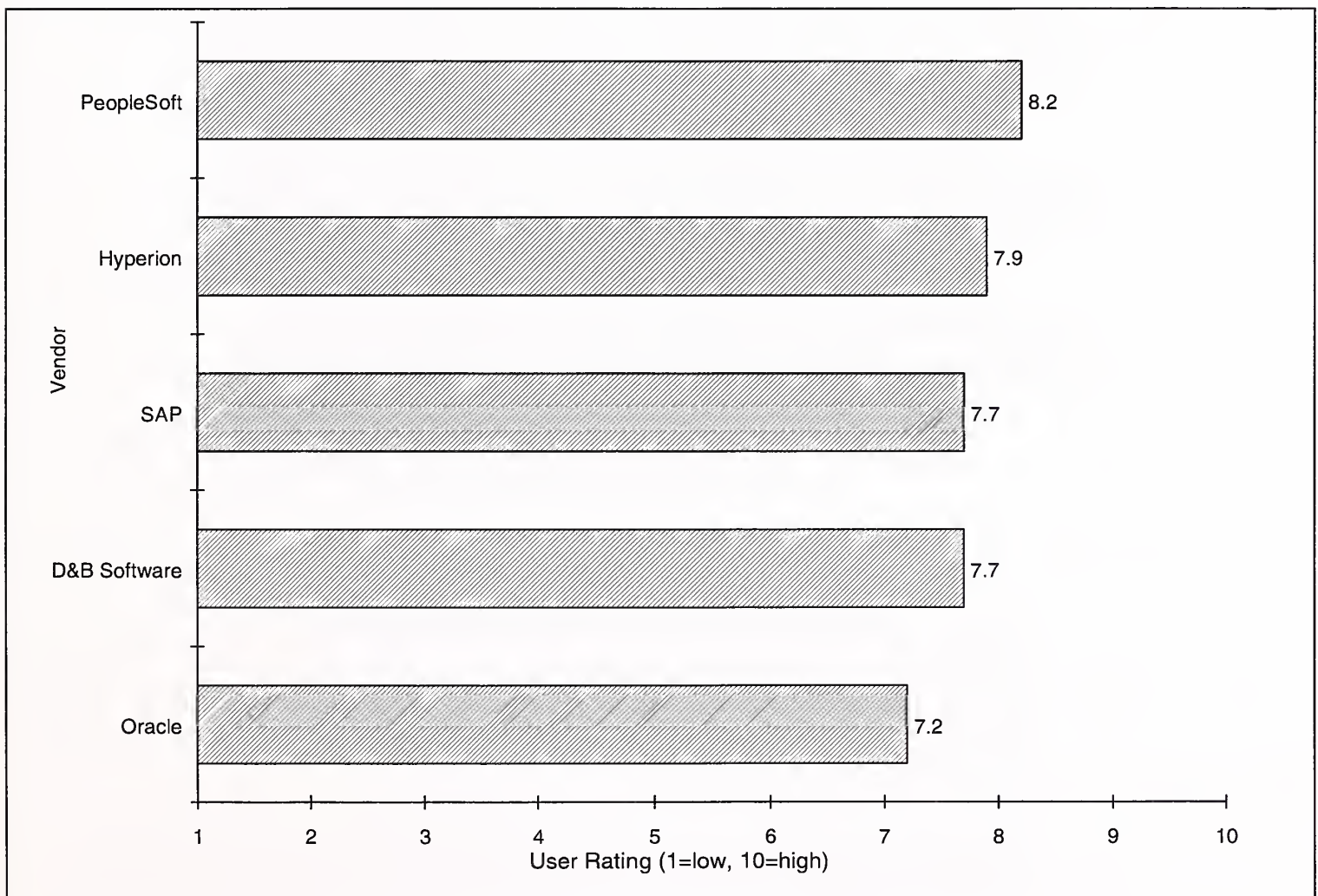
Source: INPUT

D**Importance of References in the Selection Process**

The role of due diligence has been a long standing factor in the assessment of IT products and services. Specifically, users were asked the importance of the satisfaction levels of the existing customers in their decision to purchase financial software packages. Exhibit II-4 shows these importance ratings by vendor selected.

Of importance here is not the individual ratings but the fact that all ratings demonstrate relatively high importance. According to the respondents the satisfaction levels of what the respective vendors' existing customers perceived in terms of satisfaction was an important factor in making their own decision.

Exhibit II-4

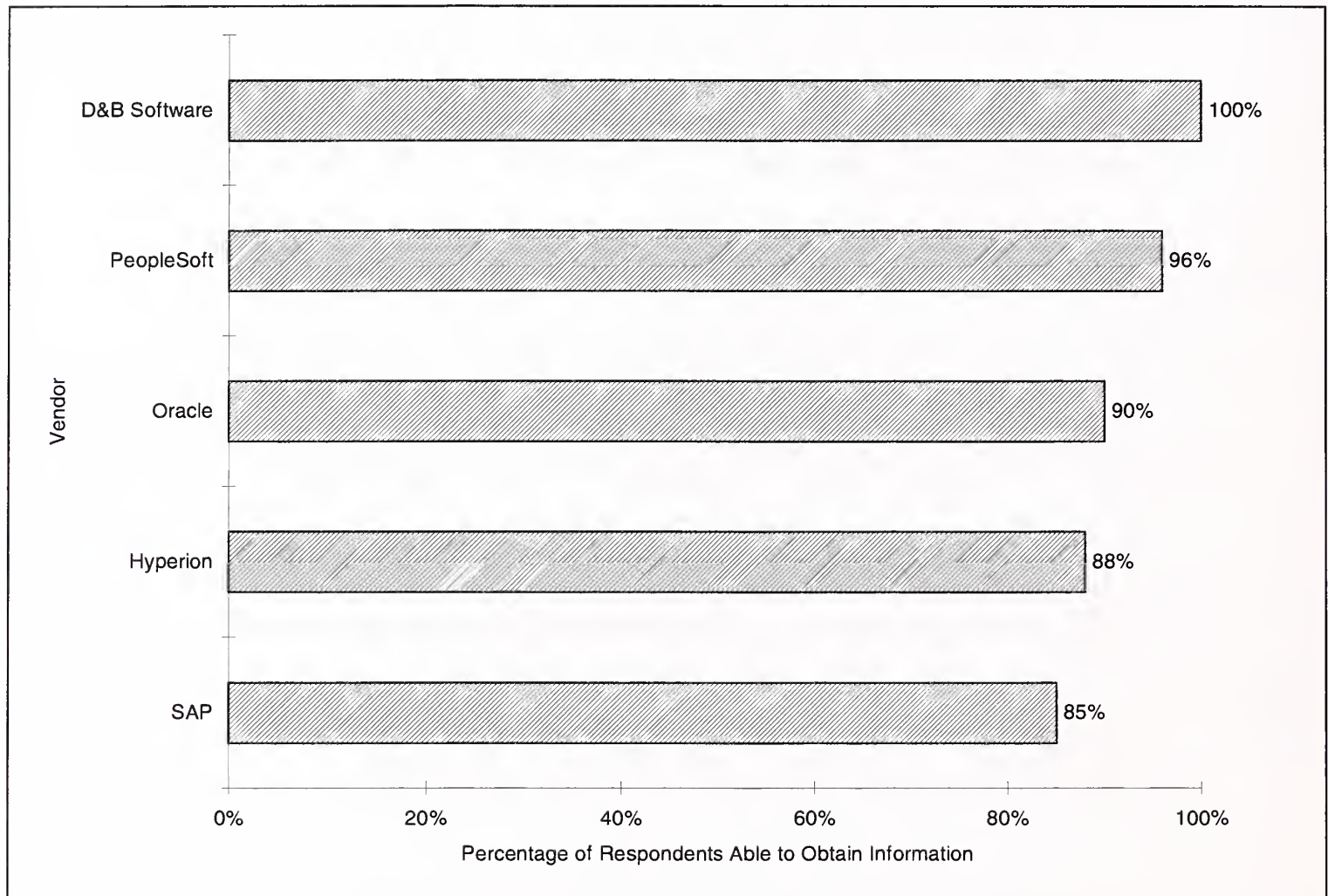
Importance of Customer Satisfaction in Purchasing Financial Software

Source: INPUT

A related issue is the extent to which potential customers were able to obtain information on customer satisfaction. Exhibit II-5 shows most prospects have been able to obtain information on customer satisfaction. In the case of D&B 100% of the survey respondents were able to get reference information.

Exhibit II-5

Percent of Customers Able to Obtain Information on Customer Satisfaction



Source: INPUT

There is no strong relationship between the ability to obtain information on satisfaction and the ultimate satisfaction of the customer. There is, however, an important message here for vendors and that is that users readily share information, both good and bad. Vendors will have to expect this and work to satisfy existing customers.

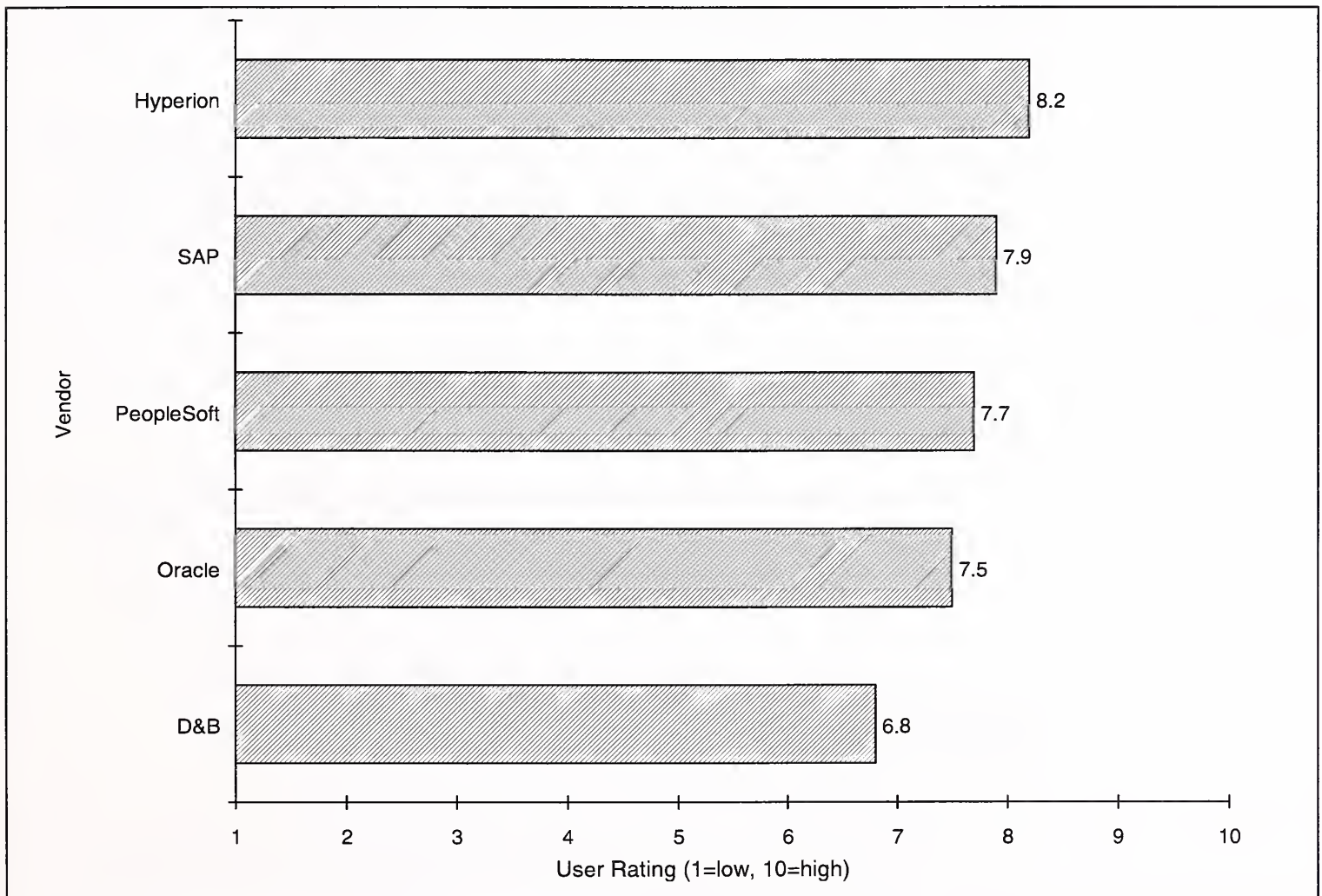
There is yet another important message here and that is that one of the biggest gaps between satisfaction and importance is in Ongoing Support.

E**Overall Vendor Ratings**

After ascertaining the satisfaction and importance of factors, INPUT then asked respondents to rate their satisfaction with the products and services from specific vendors.

Exhibit II-6 shows the ratings of overall satisfaction for the five vendors studied: The ratings ranged from a high of 8.2 for Hyperion to a low of 6.8 for D&B Software.

Exhibit II-6

Overall Satisfaction with Financial Application Software

Source: INPUT

Hyperion received higher satisfaction ratings than the other vendors in 11 out of the 12 individual categories measured separately.

Hyperion also enjoyed satisfaction ratings higher than user importance ratings in 4 of the 12 measurements. PeopleSoft, Oracle and SAP each had one category where satisfaction exceeded importance.

It is important to note that none of these positive gaps were in the top three categories of importance. Again indicating none of these vendors, including Hyperion, should allow themselves to become complacent.

F

Conclusions and Recommendations

At first glance it appears the vendors are doing a good job as providers of financial software packages. However, with the possible exception of Hyperion, there is room for improvement. The major conclusions of this study are listed in Exhibit II-7

Users place significant importance on all areas which means vendors cannot address anything less than the full spectrum of capabilities. This applies to software development and to how the selling and marketing efforts are structured and executed as well as post-sales implementation and support.

Exhibit II-7

Conclusions and Recommendations

Conclusions:

- Users' measure of satisfaction generally lags measure of importance
- There is little difference between users of the various packages regarding the factors viewed as important
- Products must address the full spectrum of capabilities

Recommendations

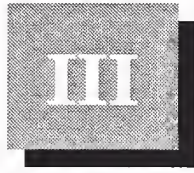
- Prioritize efforts for improvement based on user importance
- Consider all aspects of customer interaction not just application features and function
- Ensure marketing messages reflect the issues of importance to users

In nearly every category user importance exceeded user satisfaction. More importantly, the gap is largest at the top importance factors and lessens as the importance lessens. This is exactly the opposite of the desired result. The largest gap measured was in flexibility. This infers that users are looking for additional adaptability. One possibility to explore may be providing more convenient interfaces to other application software. Another consideration may be to offer better tools and methods for data mining.

The vendors who were measured in this survey should prioritize their efforts based on their specific gaps between satisfaction and importance. Other vendors need to realistically assess how they fit in this analysis. Keep in mind that not one of the vendors had a positive gap in any of the top factors of user importance.

The only factor which averaged a positive gap was the lowest importance factor on the chart. Vendors need to be certain the marketing and development priorities reflect the factors of importance to the customers.

(Blank)



Analysis by Vendor

This chapter provides a section on each vendor whose software product was included in the survey.

For each of the vendors, the ratings of importance and satisfaction of surveyed users is shown plus a summary of the comments made by the users.

The vendor results are presented in alphabetic sequence.

A

Dun & Bradstreet Software

1. Satisfaction

Users' overall rating of satisfaction with Dun & Bradstreet financial software was 6.8 on a scale of 1-10. Dun & Bradstreet, a veteran in financial software, trails the other vendors.

However, other than the graphical appeal, they are, statistically, nearly equal. With some careful attention to their interfaces and their ongoing support, Dun & Bradstreet could improve their rating of satisfaction.

Since this study was conducted Dun & Bradstreet has become a division of GEAC.

See Exhibit III-1 for ratings of importance and satisfaction for Dun & Bradstreet's financial application software package.

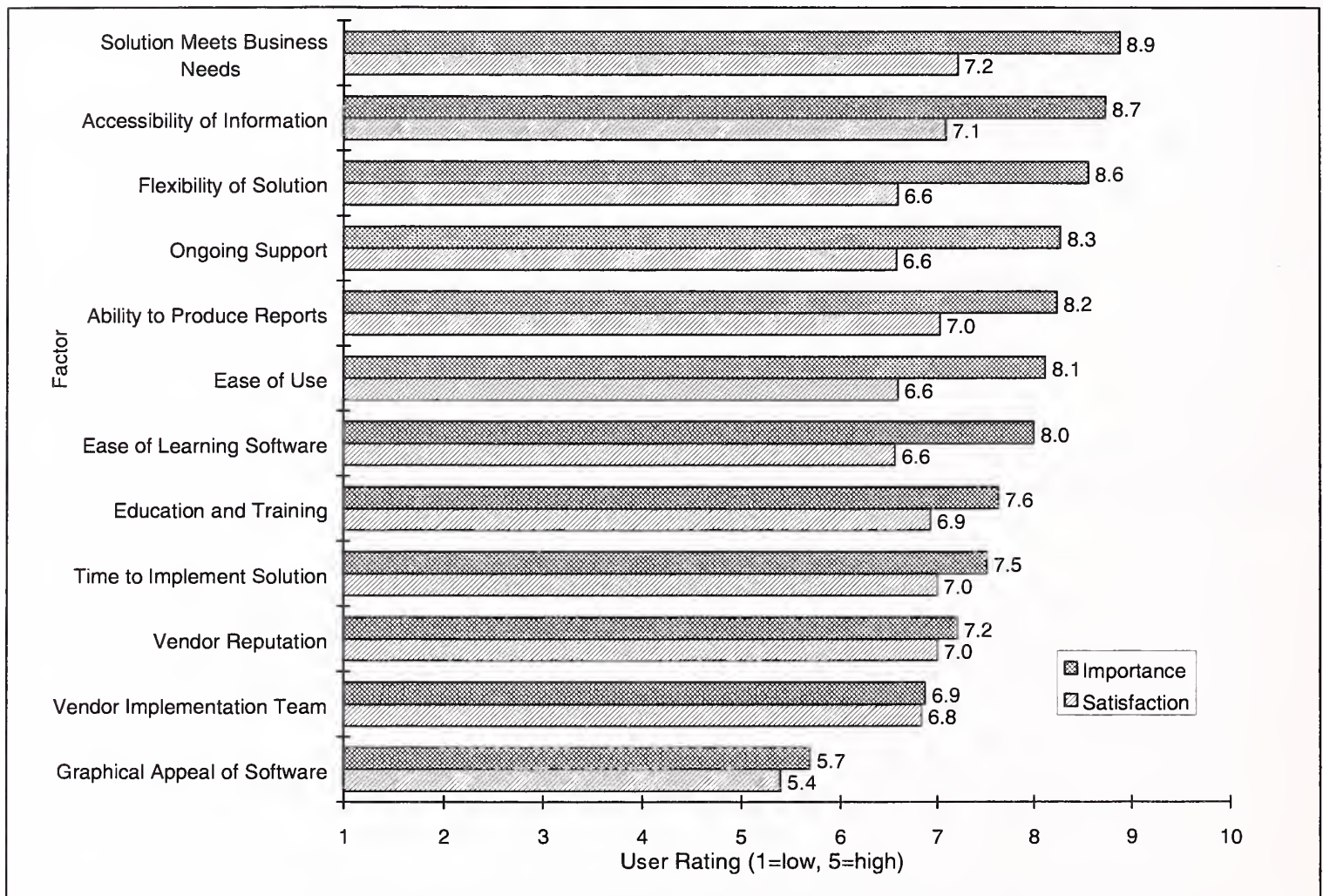
2. User Comments

Users were asked to comment on the rationale for the overall satisfaction rating. The most areas commented upon most frequently by Dun & Bradstreet users were (with percentage of respondents mentioning this reason):

- The solution is adequate but has some shortcomings - 44%
- The software was good and responsive - 17%
- The software is not user friendly and complicated to use - 14%

Exhibit III-1

Dun & Bradstreet Software User Ratings



Source: INPUT

Each of the three most important factors received a rating of importance of 8, 9 or 10 from over 85% of respondents. This indicates strong agreement among the respondents.

For satisfaction, these same factors were rated at 8 or higher by less than 50% of respondents.

Based on the survey results, the area requiring the most attention from D&B is the flexibility of their solution. The delta between Importance and Satisfaction is 2.0, which is the largest of all the factors.

The ratings of importance of, and satisfaction with, “Graphical Appeal of Software” was significantly lower for the D&B package than the average user rating for all packages.

B

Hyperion

1. Satisfaction

Users’ overall rating of satisfaction with Hyperion financial software was 8.2 on a scale of 1-10.

This was the highest rating of the five vendor offerings included in the survey.

Hyperion was the only vendor whose application package received satisfaction ratings higher than the ratings of importance in more than one category. See Exhibit III-2 for ratings of importance and satisfaction for Hyperion’s financial application software package.

Hyperion enjoyed a positive satisfaction gap, that is the satisfaction ratings exceeded the importance ratings, in areas of:

- Ease of use
- Education and training
- Ease of learning the software
- Ability of vendor implementation team
- Graphical appeal of the software

This achievement is diminished to some extent by the fact that the four of the five positive gaps were in areas rated as of lesser importance to the users — even the top rated vendor has room for improvement.

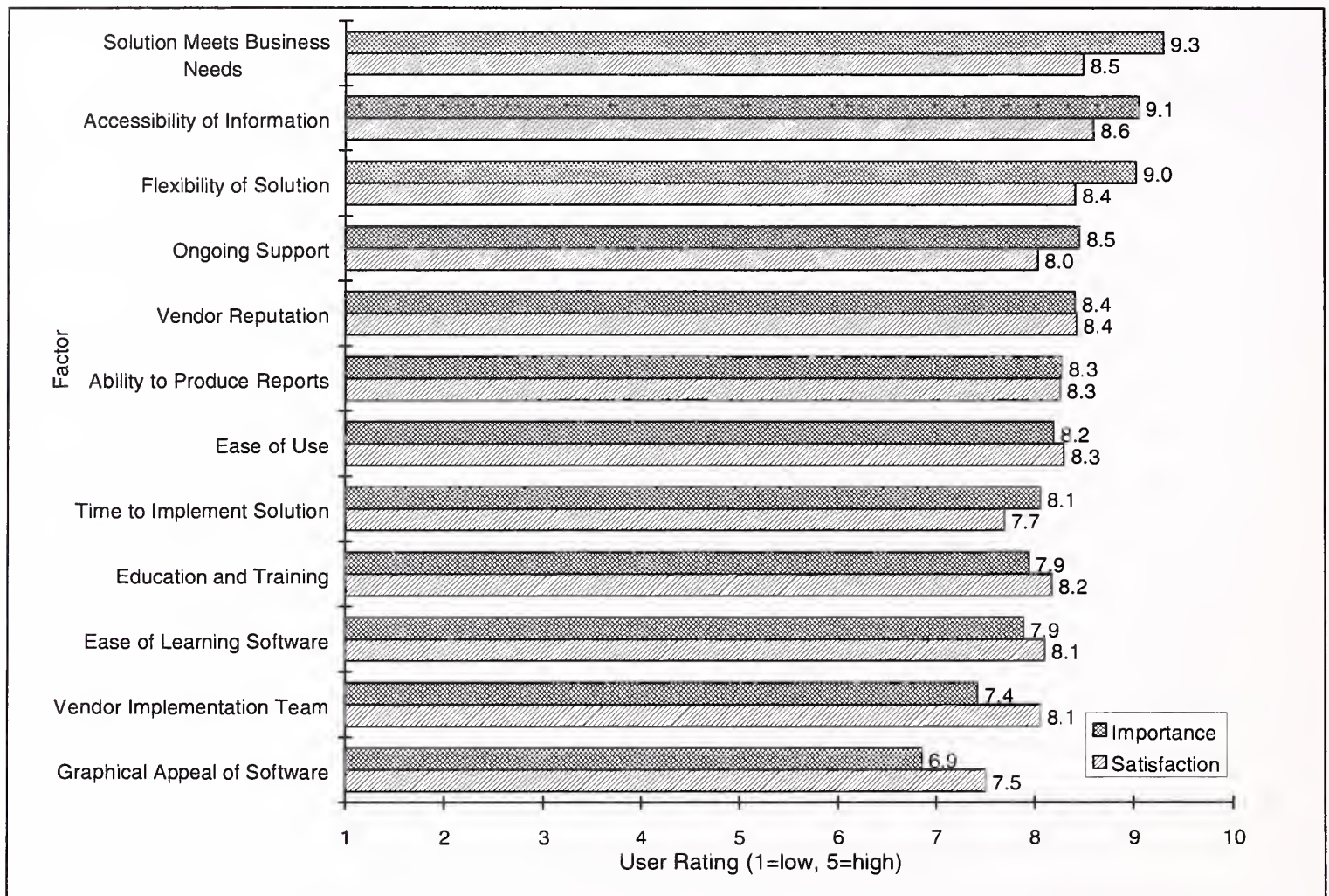
2. User Comments

The areas commented upon most frequently by Hyperion users were (with percentage of respondents mentioning this reason):

- The solution is adequate but has some shortcomings - 31%
- The software was good and responsive - 25%

Exhibit III-2

Hyperion User Ratings



Source: INPUT

Each of the three most important factors received a rating of importance of 8, 9 or 10 from over 94% of respondents. This indicates extremely strong agreement among the respondents.

For satisfaction, these same factors were rated at 8 or higher by more than 75% of respondents.

C

Oracle

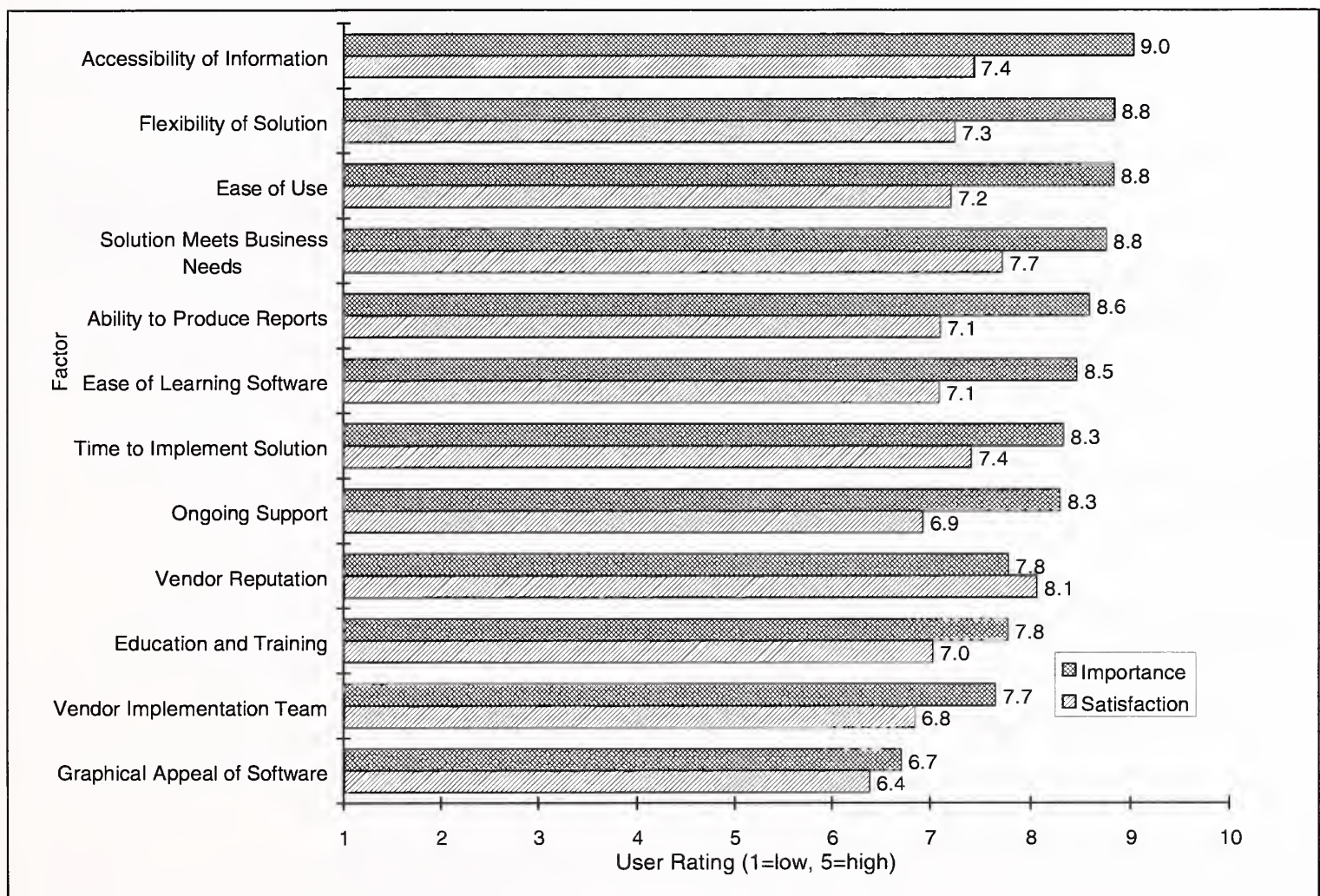
1. Satisfaction

Users' overall rating of satisfaction with Oracle financial software was 7.5 on a scale of 1-10. Exhibit III-3 shows the company's ratings.

In the category of Vendor reputation, Oracle received satisfaction ratings which exceeded the importance factor. Like the other vendors studied Oracle's package is being relatively well received.

Exhibit III-3

Oracle User Ratings of Satisfaction and Importance



Source: INPUT

2. User Comments

The areas commented upon most frequently by Oracle users were :

- The solution is adequate but has some shortcomings - 25%
- The software was good and responsive - 31%
- The software is easy to use - 14%. This is counterbalanced by 19% of respondents commenting that the software is not user friendly.

D

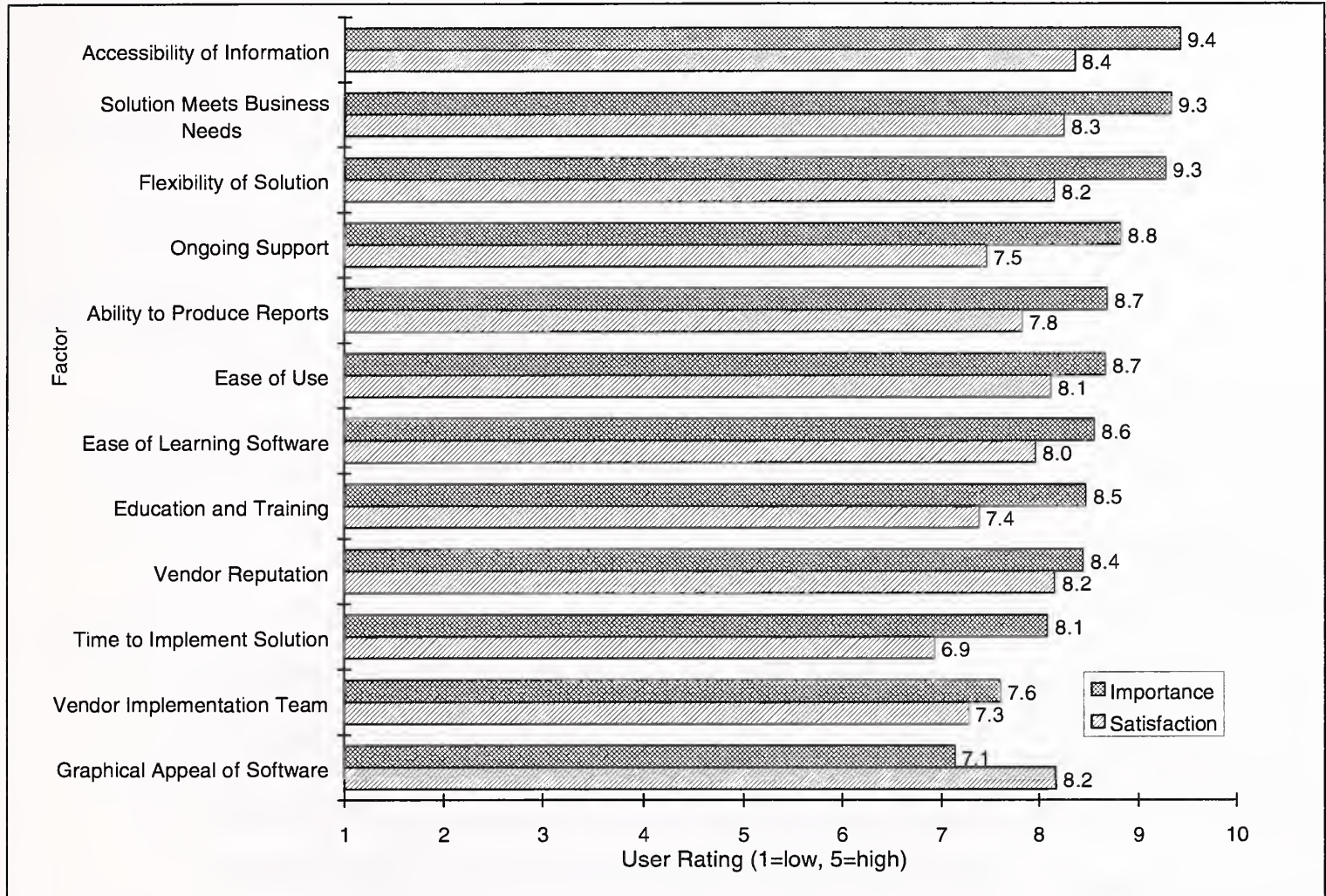
PeopleSoft

1. Satisfaction

Users' overall rating of satisfaction with PeopleSoft financial software was 7.7 on a scale of 1-10 (see Exhibit III-4).

PeopleSoft users gave a higher rating of importance, than users of the other software packages, in 10 out of the 12 factors. This implies that PeopleSoft users may be the hardest to please as they have extremely high expectations.

Exhibit III-4

PeopleSoft User Ratings of Satisfaction and Importance

Source: INPUT

2. User Comments

The areas commented upon most frequently by PeopleSoft users were (with percentage of respondents mentioning this reason):

- The solution is adequate but has some shortcomings - 17%
- The software was good and responsive - 17%
- The software is easy to use - 22%
- Only 17% mentioned the flexibility of the application yet 77% rated Application Flexibility as at least 8 on the 1-10 scale
- 19% of the respondents downgrade the software because of technical problems.

E SAP

1. Satisfaction

Users' overall rating of satisfaction with SAP financial software was 7.9 on a scale of 1-10.

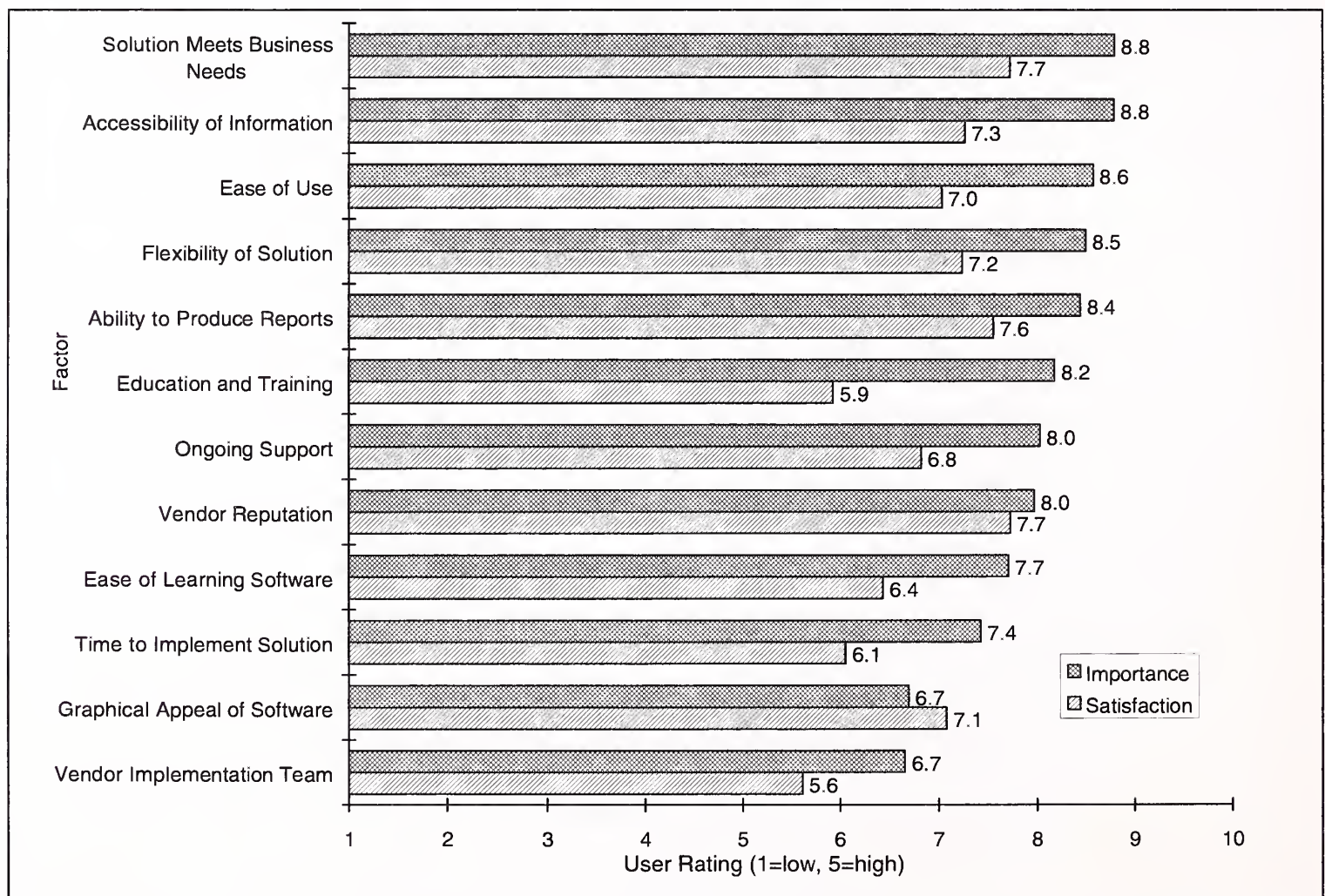
See Exhibit III-5 for ratings of importance and satisfaction for SAP's financial application software package.

The percentage of SAP users interviewed who were in the process of implementation was 20% — higher than for the other vendors.

This, coupled with the lowest rating (6.1) among all the vendors for satisfaction with implementation time, is indicative of the relatively long implementation time associated with SAP software.

Exhibit III-5

SAP User Ratings of Satisfaction and Importance



Source: INPUT

2. User Comments

Users were asked to comment on the rational for the overall satisfaction rating. The areas commented upon most frequently by SAP users were (with percentage of respondents mentioning this reason):

- The solution is adequate but has some shortcomings - 31%
- The software was good and responsive - 17%

F

Conclusions

The vendor analysis presented in this section shows some interesting perspectives on how users think. The questions regarding the overall rating by vendor and the solicitation of user comments were asked before the 12 factors were presented to the respondents.

In most cases the user ratings were consistent with the comments made previously. For example, 22% commented that PeopleSoft's software is easy to use and the individual rating reflected this with an average satisfaction rating of 8.1.

In other instances the perceptions were different. For example, both Dun & Bradstreet and PeopleSoft had 17% of their respondents indicate their software was good and responsive. Yet when the detail is analyzed there is little to support the case that Dun & Bradstreet would have the same level of satisfaction.

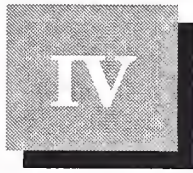
In each of the top three factors PeopleSoft rated one full point higher than Oracle in the ratings of satisfaction. Yet Oracle trailed PeopleSoft by only 0.2 of a point in the overall evaluation.

In most cases there are explanations for these anomalies. However, the important conclusion for vendors to consider is the role of user perception and how perception becomes a reality for the vendor to address.

Vendors need to consider their positions in the various categories presented and determine how they should allocate their resources for product enhancements, service enhancements and marketing communications. The more the vendor can understand both the user expectation and the user perception, the better the vendor can allocate and plan. The process should not be limited to analyzing only the data presented in this study.

Overall, the two vendors with the newest offerings rated the highest in this survey. This may be because they were new or found new less critical market niche, another explanation is that the functionality these products is more in line with current requirements. The scope of this study did not cover these factors but it is important data for vendors to consider in their planning.

(Blank)



Analysis of Satisfaction Factors

This chapter provides comparison, between application packages, of user importance and satisfaction according to a variety of factors.

For each factor, the user ratings of importance and satisfaction are shown for each of the five software packages included in the survey.

A

Major Factors for Users

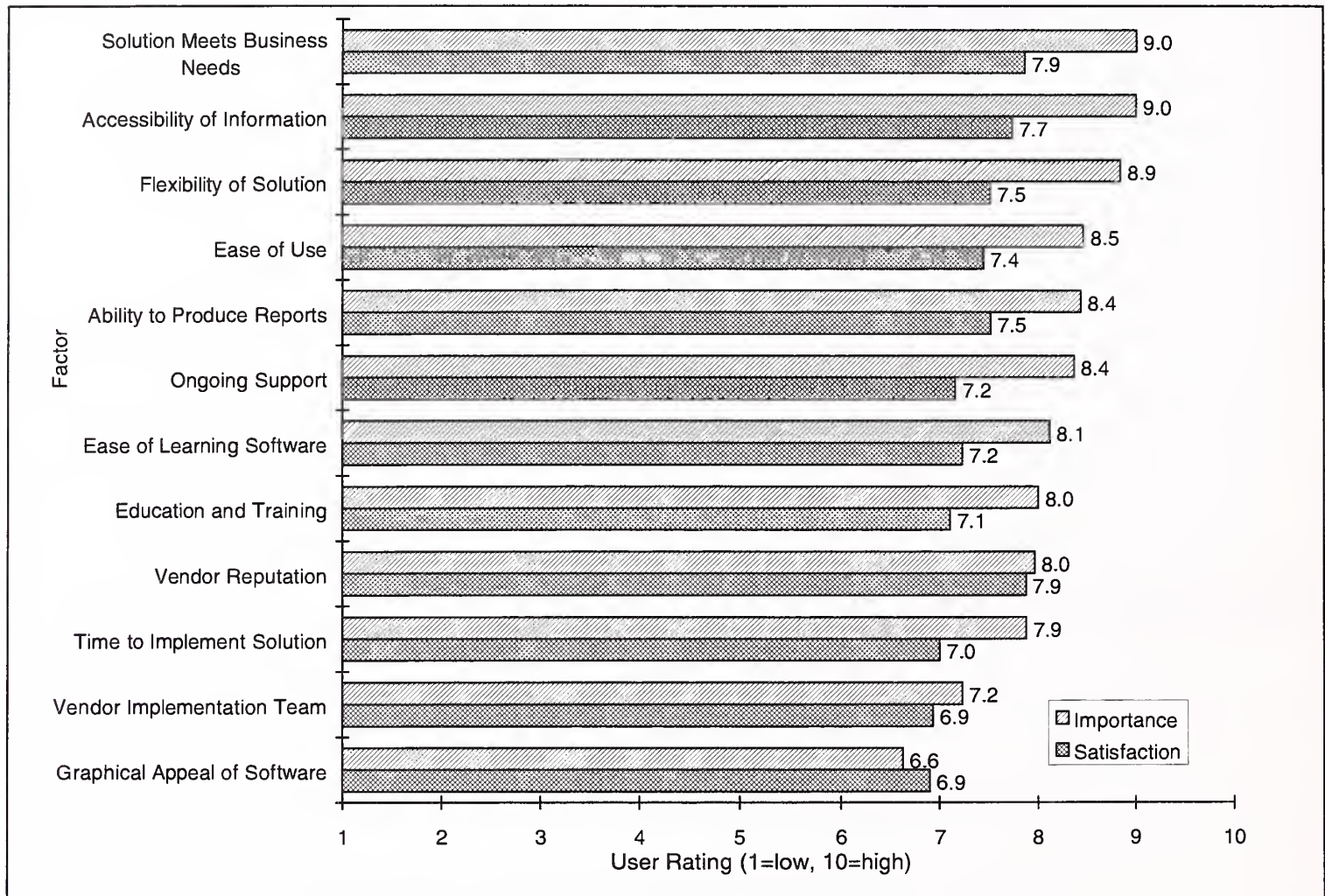
Exhibit IV-1 shows the ratings when the responses of all respondents are combined.

This chart provides a baseline against which other vendors may compare their own clients views.

Significant gaps exist between importance and satisfaction for all vendors:

- Five of the top six factors of importance show a gap of 1.0 or greater
- The only positive gap is in the category of Graphical Appeal, the least important factor to users. Are vendors trying to sell the sizzle without the steak?
- Viewing the gaps between importance and satisfaction would nearly reverse the order of Exhibit IV-1, indicating the vendors should concentrate on improving the factors the users deem most important

Exhibit IV-1

Consolidated User Ratings of Importance and Satisfaction

Source: INPUT

B**Analysis by Factor**

For ease of comparison, within each of the following charts (Exhibit IV-2 to Exhibit IV-13) the vendors are always shown in alphabetic sequence. The reason the levels of importance vary is that they reflect the responses of the users of the respective products. This is the case throughout the remainder of this chapter.

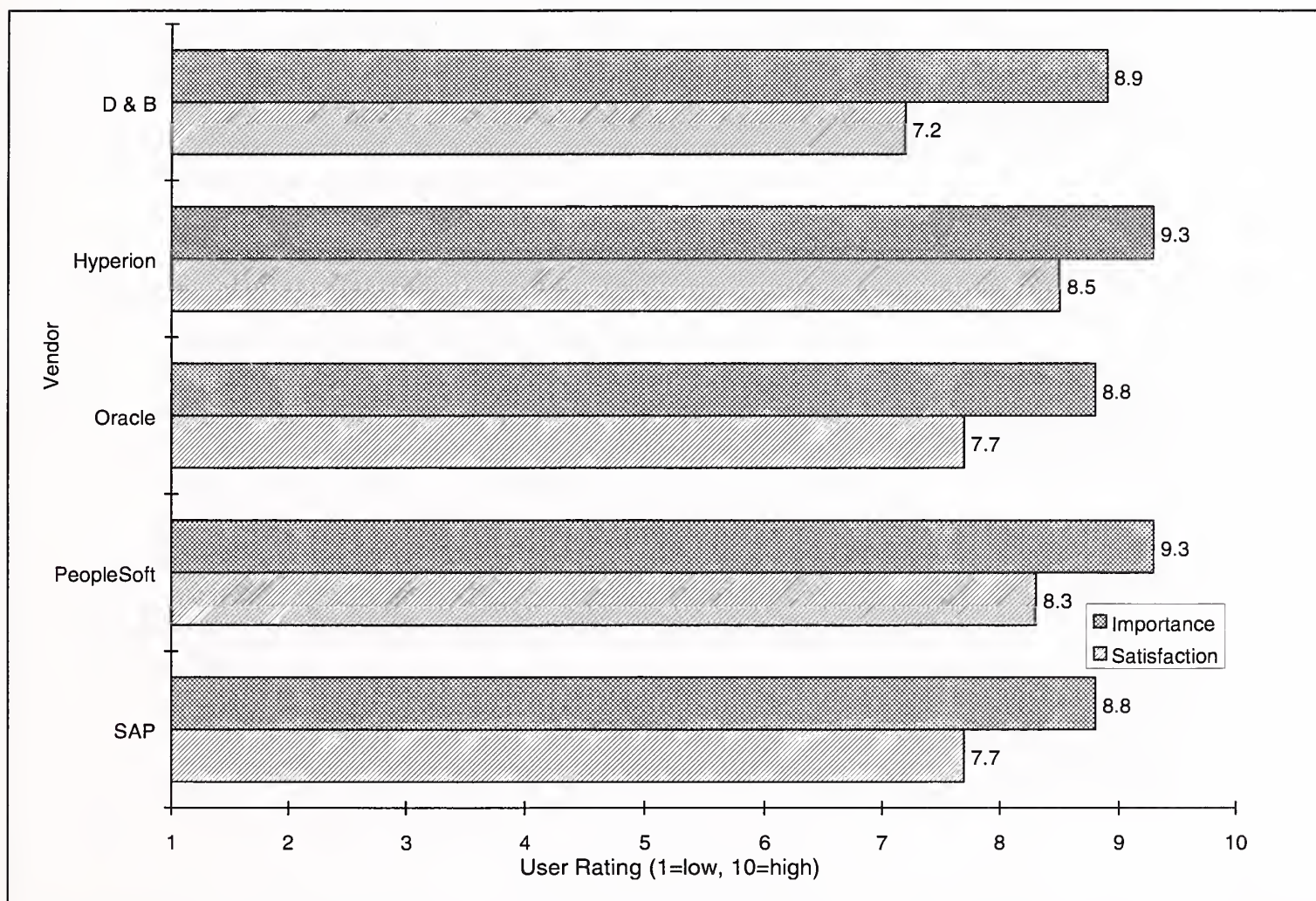
The two highest factors by user importance are shown on Exhibits IV-2 and IV-3.

Exhibit IV-2 shows the rating for the packages' Ability to Meet the Business Needs.

This is one of the most important factors for users with regard to their satisfaction with financial application software packages.

Exhibit IV-2

User Ratings of Vendors — Ability of Solution to Meet Business Needs



Source: INPUT

For 3 of the 5 packages included in the survey, the ability to meet the business needs was the most highly rated factor. It was the second most highly rated factor for the other two packages.

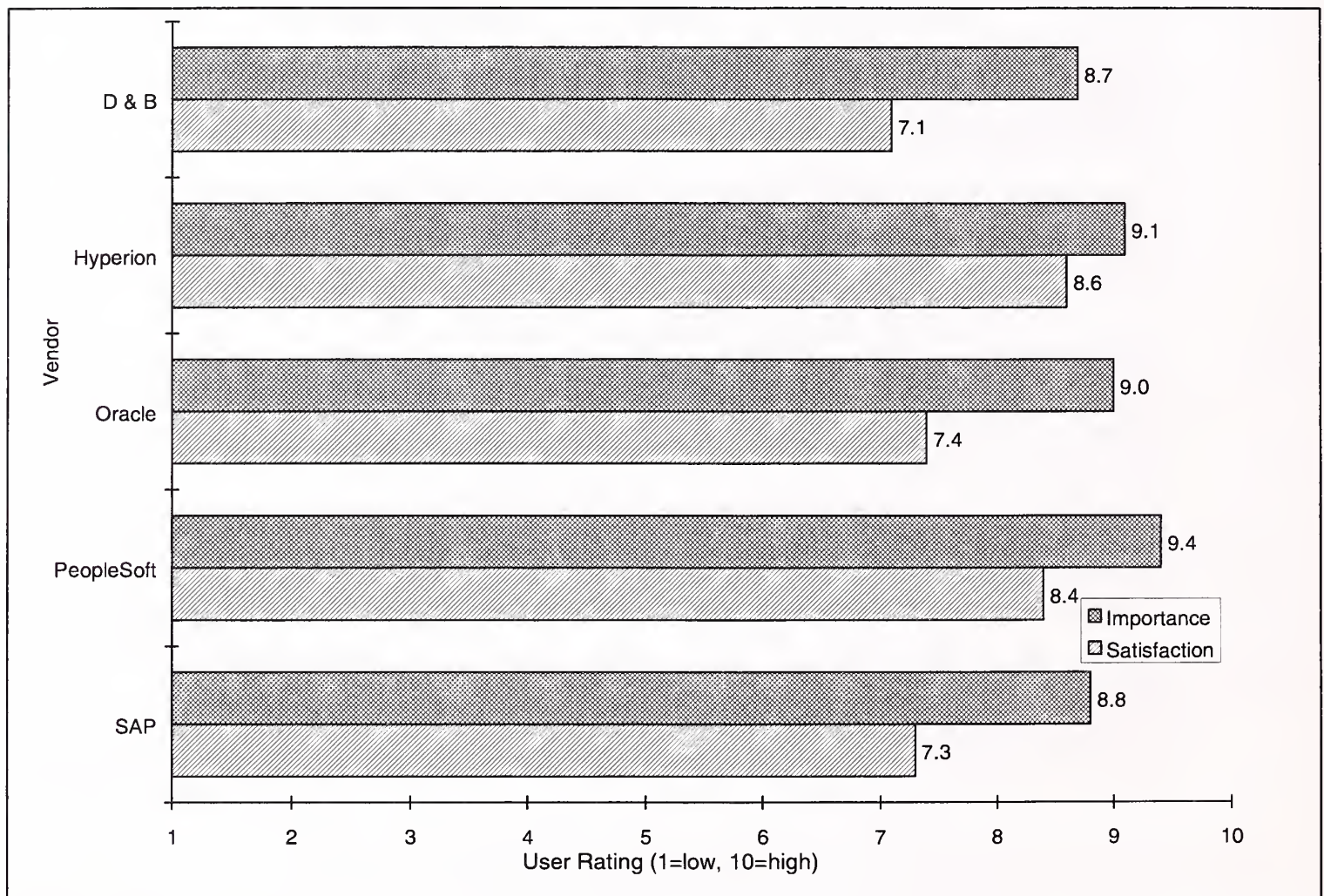
Looking at the gap between importance and satisfaction reveals that the largest gap is for D&B, the vendor with the lowest overall rating. In fact, the gaps reflect the exact order of the overall satisfaction. Based on this data, there appears to be a direct correlation between this factor and overall user satisfaction. Vendors should emphasize this in the sales process.

Exhibit IV-3 shows the other top rated importance factor — Accessibility of Information in the Application.

The information here should be of greatest concern to SAP. Not only have their users rated them near the bottom in satisfaction but they have a large gap in this important area.

Exhibit IV-3

User Ratings of Vendors — Accessibility of Information in the Application



Source: INPUT

While their gaps are not as great, it appears that D&B and Oracle should take a hard look at their offerings' functionality in this area.

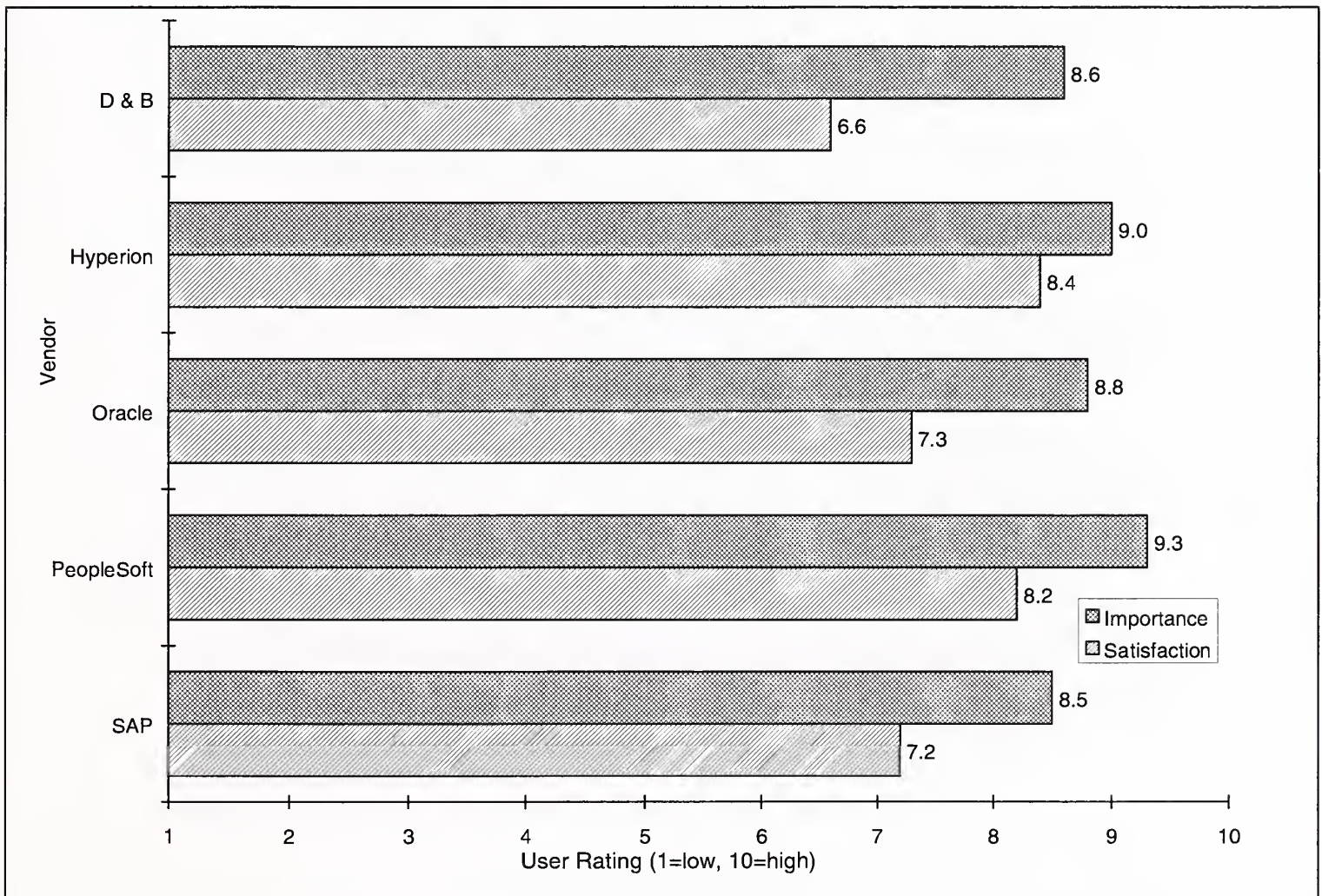
Hyperion and PeopleSoft customers appear to be highly satisfied in this area yet neither of the vendors should to allow the gap between importance and satisfaction to widen.

Exhibit IV-4 shows the ratings for Flexibility of Solution, the third most import category according to the users surveyed.

This is the area of greatest weakness for Dun & Bradstreet. The importance-satisfaction gap of 2.0 is the largest reported in the survey. The good news for D&B is that the other vendors are only marginally better off.

Exhibit IV-4

User Ratings of Vendors — Flexibility of Solution



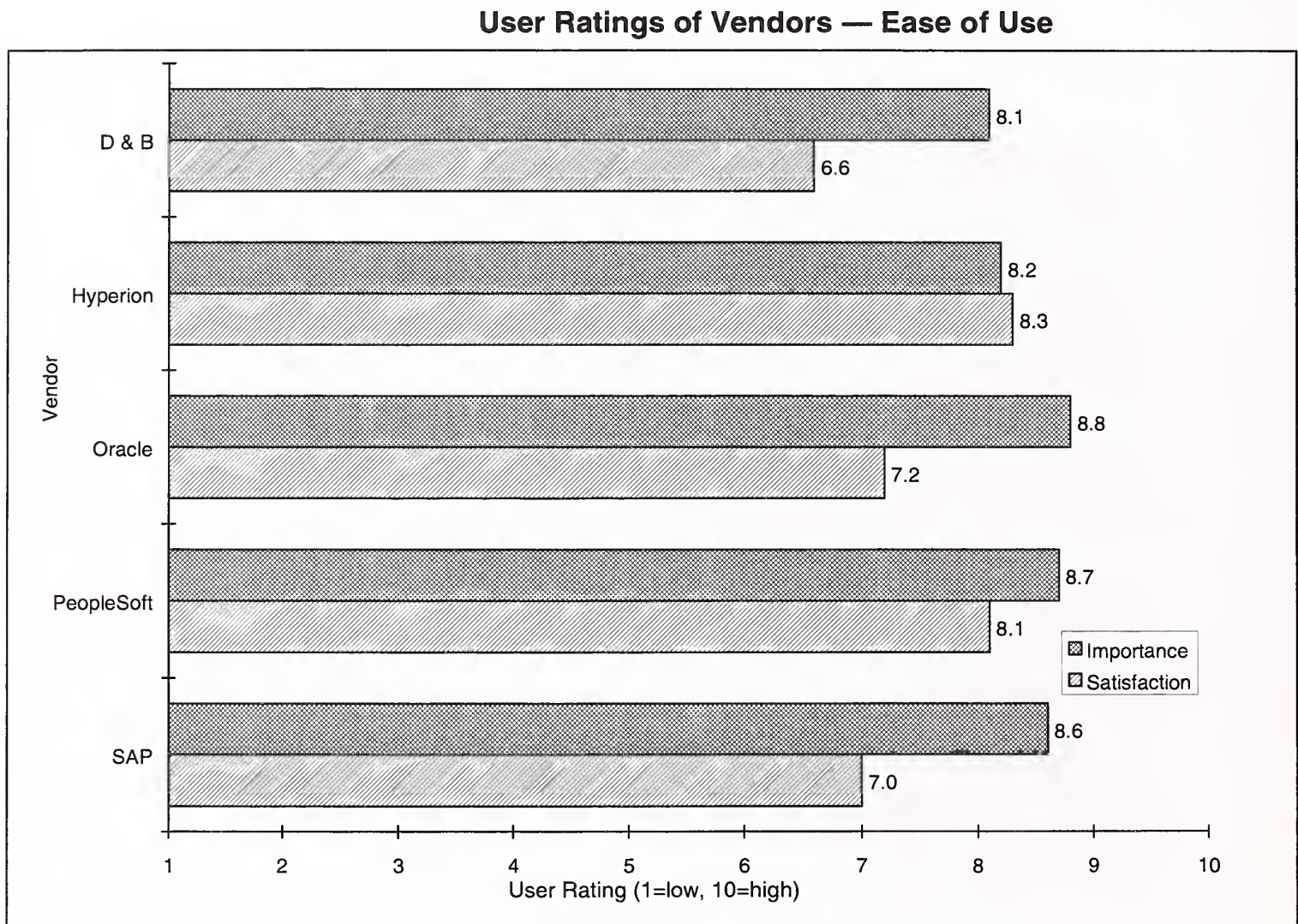
Source: INPUT

In this category, as well as the first two, the users of PeopleSoft hold their vendor to the highest standard. This may be an indication of overselling by PeopleSoft.

The gaps shown here are some of the largest in the survey. It appears the factor is one that the vendors should analyze carefully as a high potential area to exploit.

The next factor in terms of importance to the users is Ease Of Use. The ratings are reflected in Exhibit IV-5. When compared to the gaps in satisfaction, it is clear that D&B, Oracle and SAP have some real problems in this area.

Exhibit IV-5



Source: INPUT

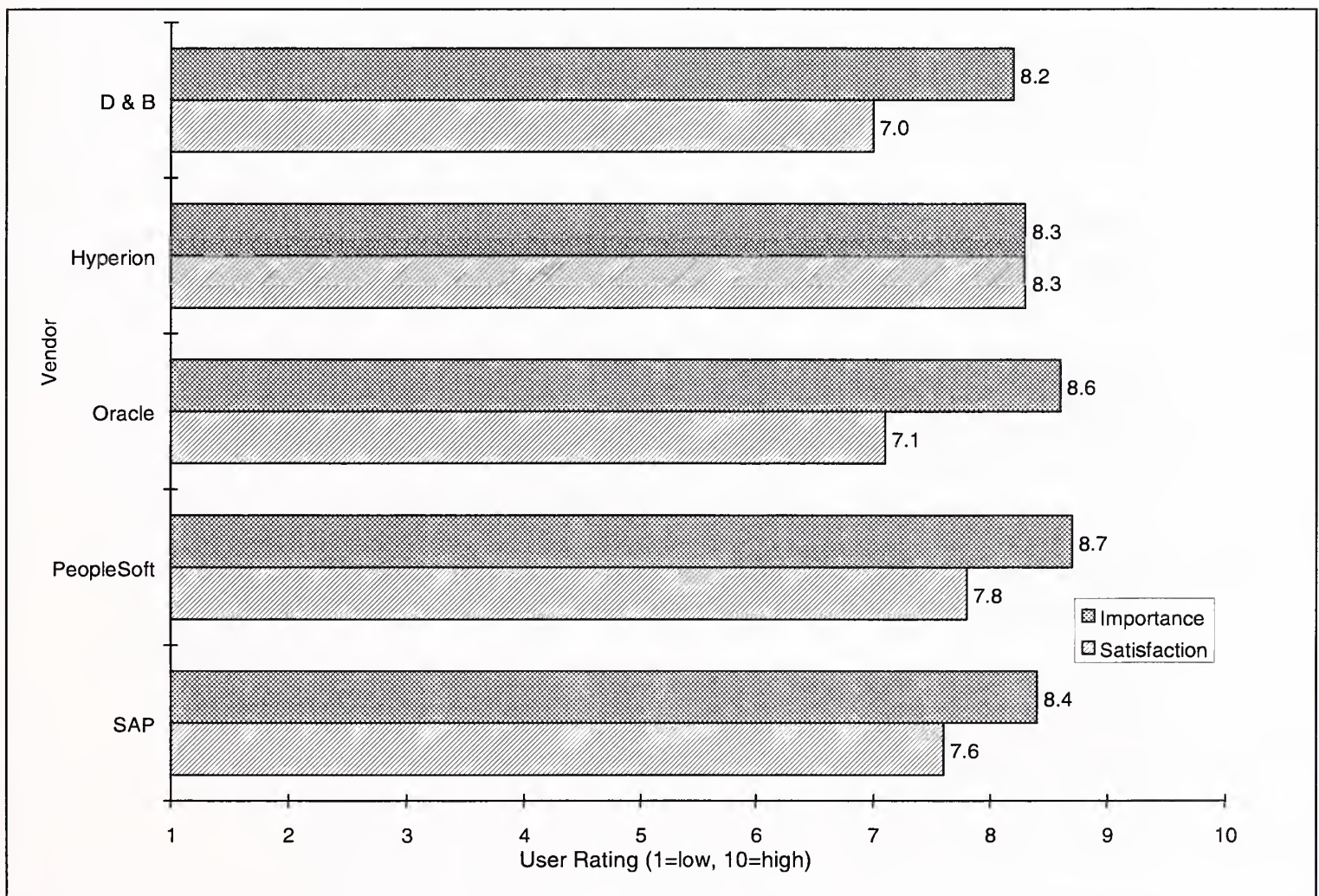
Ease of use is important for vendors to address for several reasons. First it is an area of relatively high importance to users and second because of the gaps in user satisfaction. However, one of the more subtle reasons for emphasis here is how ease of use, or the lack of it, contributes to users ongoing concern over the total cost of software support. Vendors should ask themselves what they can do to make the total cost of ownership lower.

The Ability to Produce Reports is the fifth most important factor. The ratings are shown in Exhibit IV-6.

This factor is very much like the issue of ease of use in that it can contribute to the cost on ongoing support. While this factor may be another area for vendors to exploit, the satisfaction gap is not as great as the gap for the ease of use category.

Exhibit IV-6

User Ratings of Vendors — Ability to Produce Reports



Source: INPUT

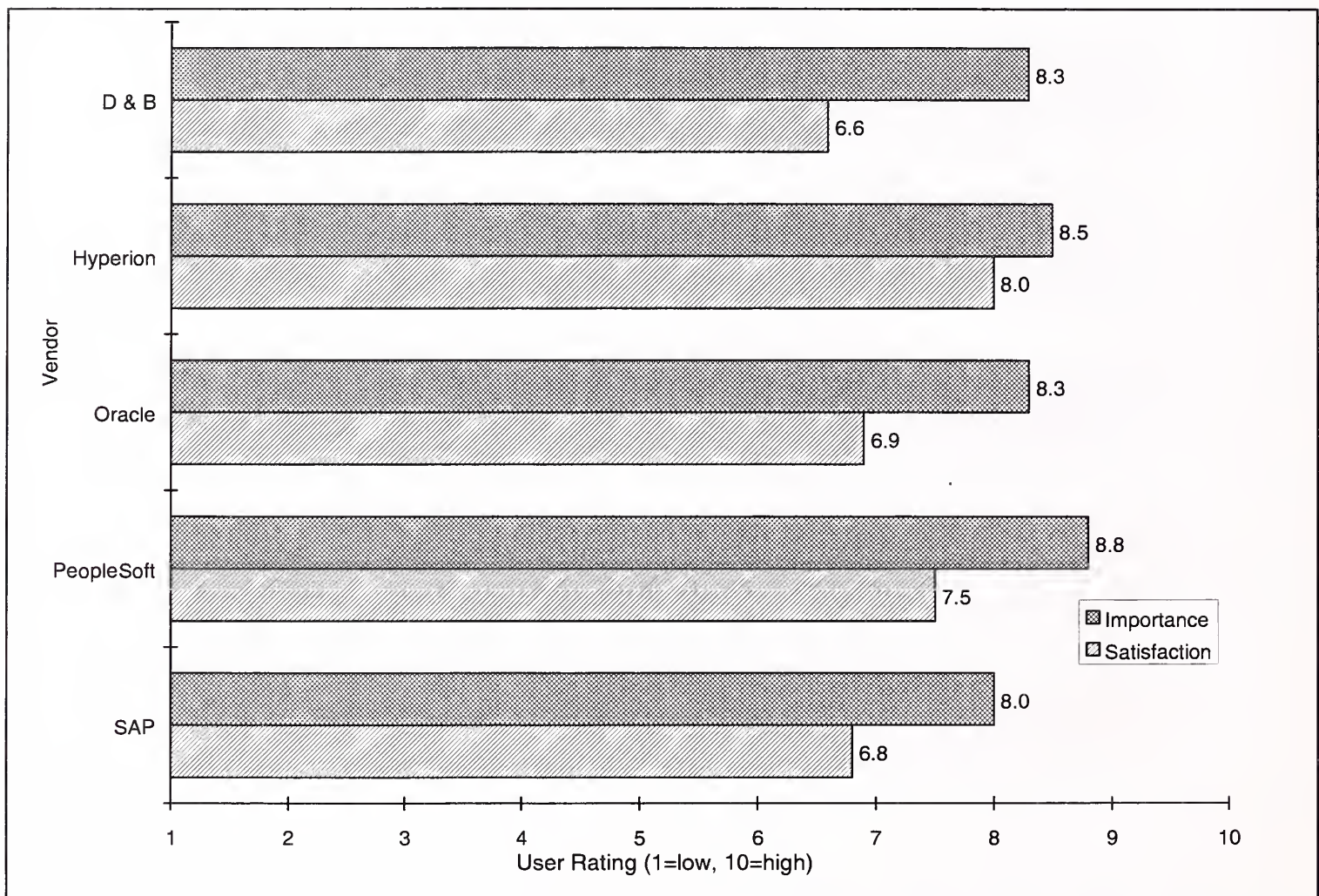
The groupings in this category do not demonstrate as much variation between vendors as other categories, indicating this factor may not be as big an issue as it appears. However, it is significant in that the gap between satisfaction and importance in the consolidated ratings is 0.9, the sixth highest gap measured.

Ongoing Support is the sixth most important factor according to the respondents. The consolidated ratings place this factor at 8.4, even or almost even with the previous two factors. Also like the previous two factors Ongoing Support is a crucial factor in overall perception of satisfaction and it is a key factor in the total cost of ownership.

Exhibit IV-7 provides the ratings for Ongoing Support.

Exhibit IV-7

User Ratings of Vendors — Ongoing Support



Source: INPUT

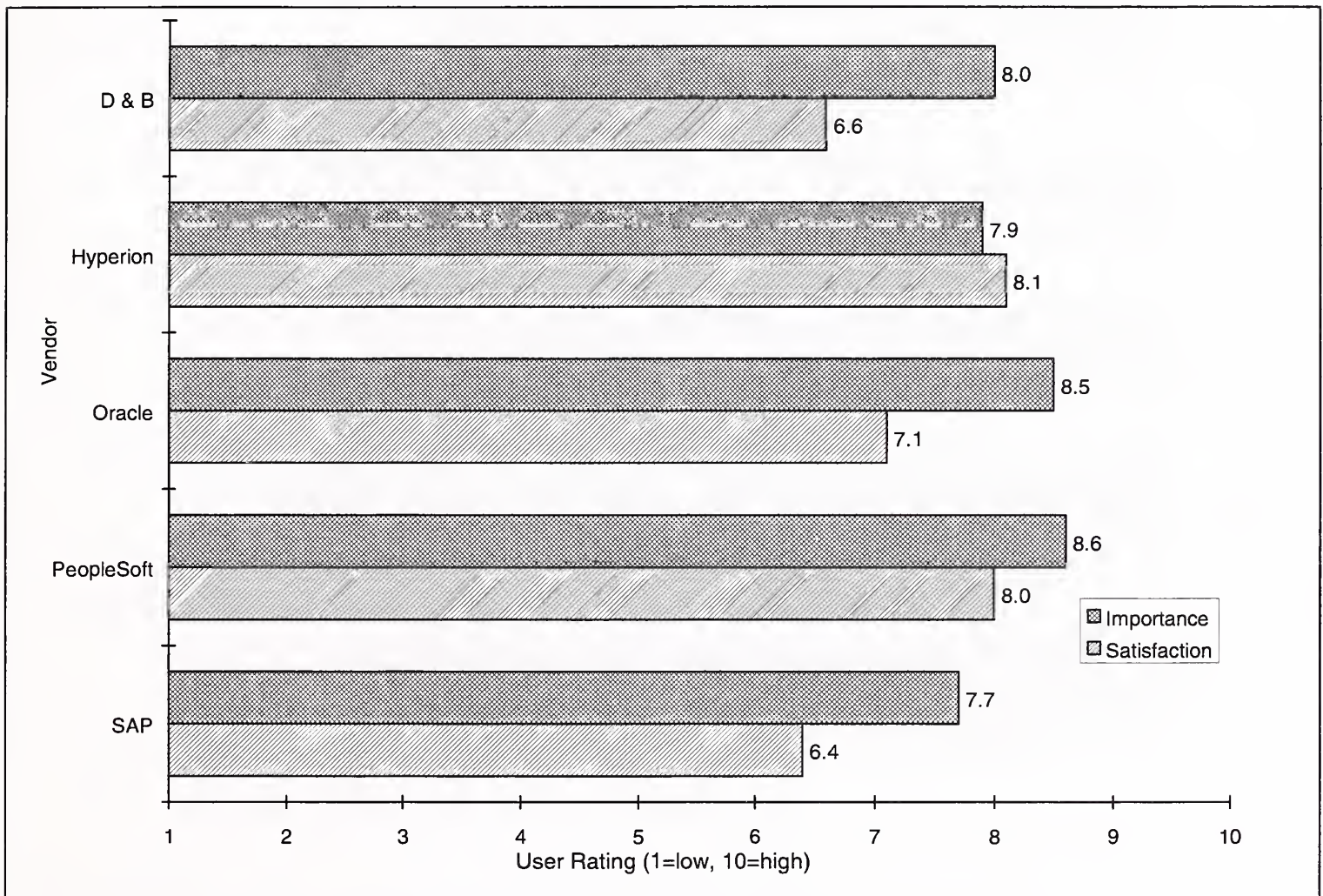
Again the Dun & Bradstreet package had the largest gap in satisfaction followed closely by the next three. Hyperion had the smallest gap at .5.

However, for Hyperion that was its third weakest area in terms of the gap between satisfaction and importance.

The seventh category measured was Ease of Learning to Use the Application. Exhibit IV-8 demonstrates the ratings for this factor.

Exhibit IV-8

User Ratings of Vendors — Ease of Learning to Use the Application



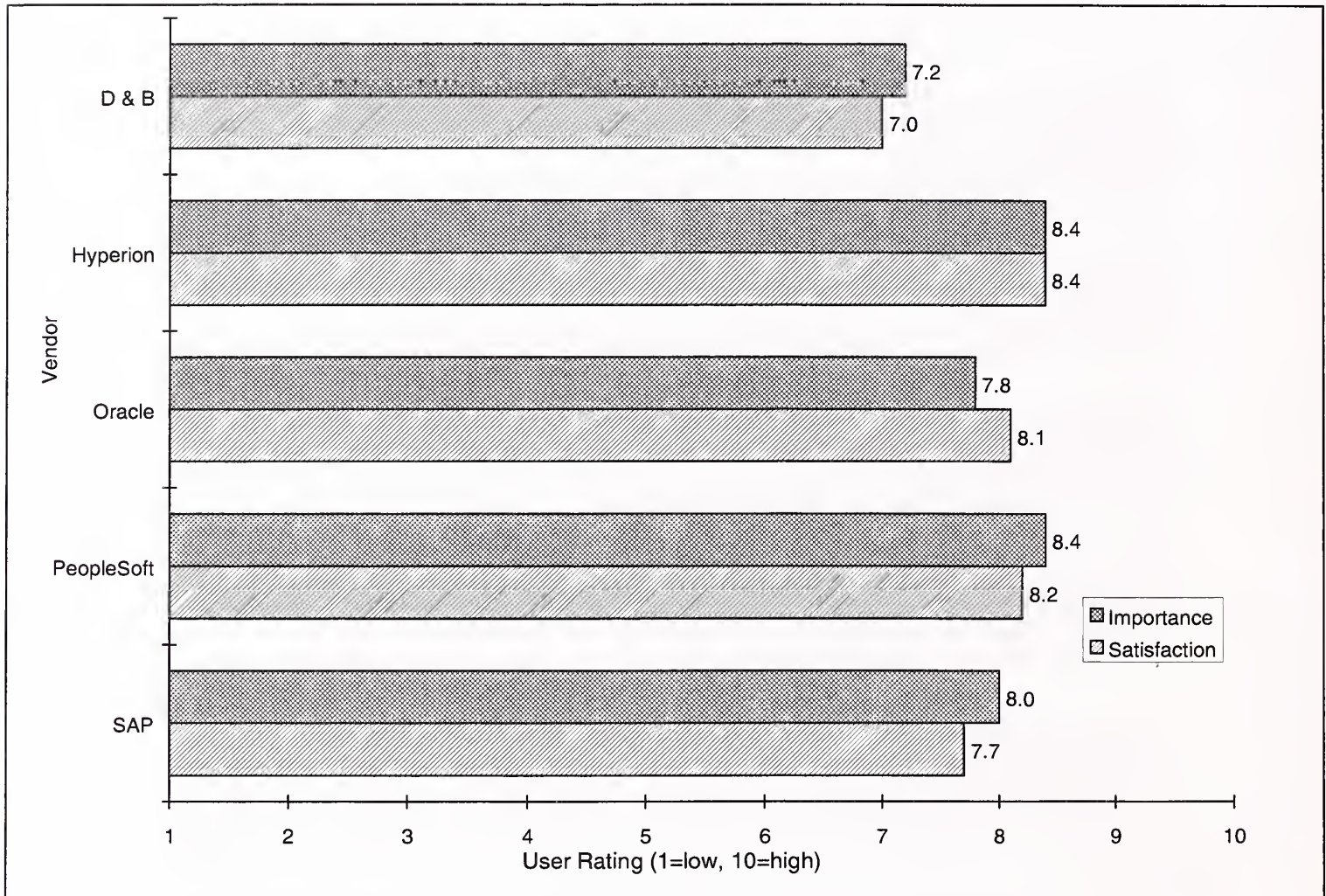
Source: INPUT

The most interesting aspect of this factor is how low the users of the Hyperion package valued it in terms of importance. They ranked it ninth out of the twelve factors.

For competitors of Hyperion it appears this would be an area to examine the Hyperion implementation to find how they have addressed the learning issue. Since this factor was lower in importance and since Hyperion users show positive satisfaction, Hyperion may have done something unique in this area. The next factor surveyed was Vendor Reputation. Exhibit IV-9 displays the users ratings.

Exhibit IV-9

User Ratings of Vendors — Vendor Reputation



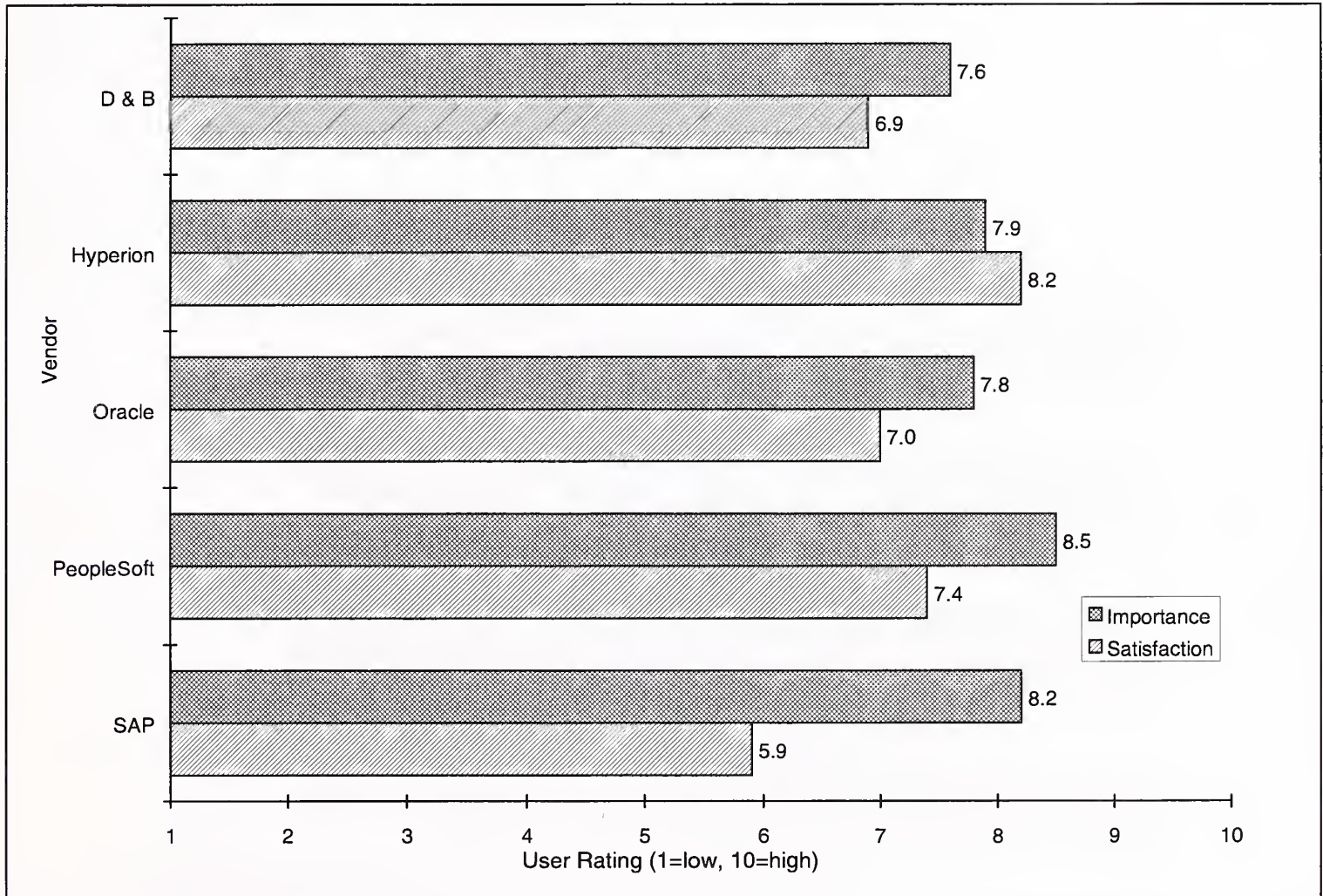
Source: INPUT

For this factor, there is little variation between importance and satisfaction. In fact, Oracle with an overall rating in the middle of the pack is given a positive gap in this category. Their performance exceeded their users' expectations.

Education and Training received the same rating as Vendor Reputation from the users. However, unlike Vendor Reputation where there was little variation, Education and Training varied widely as shown in Exhibit IV-10.

Exhibit IV-10

User Ratings of Vendors — Education and Training



Source: INPUT

This chart does not bode well for SAP. The satisfaction gap of 2.3 demonstrates a very serious problem, one that most likely impacted their overall rating significantly.

It is also a problem for PeopleSoft, although to a lesser extent. Their gap of 1.1 reflects a need to address the issue.

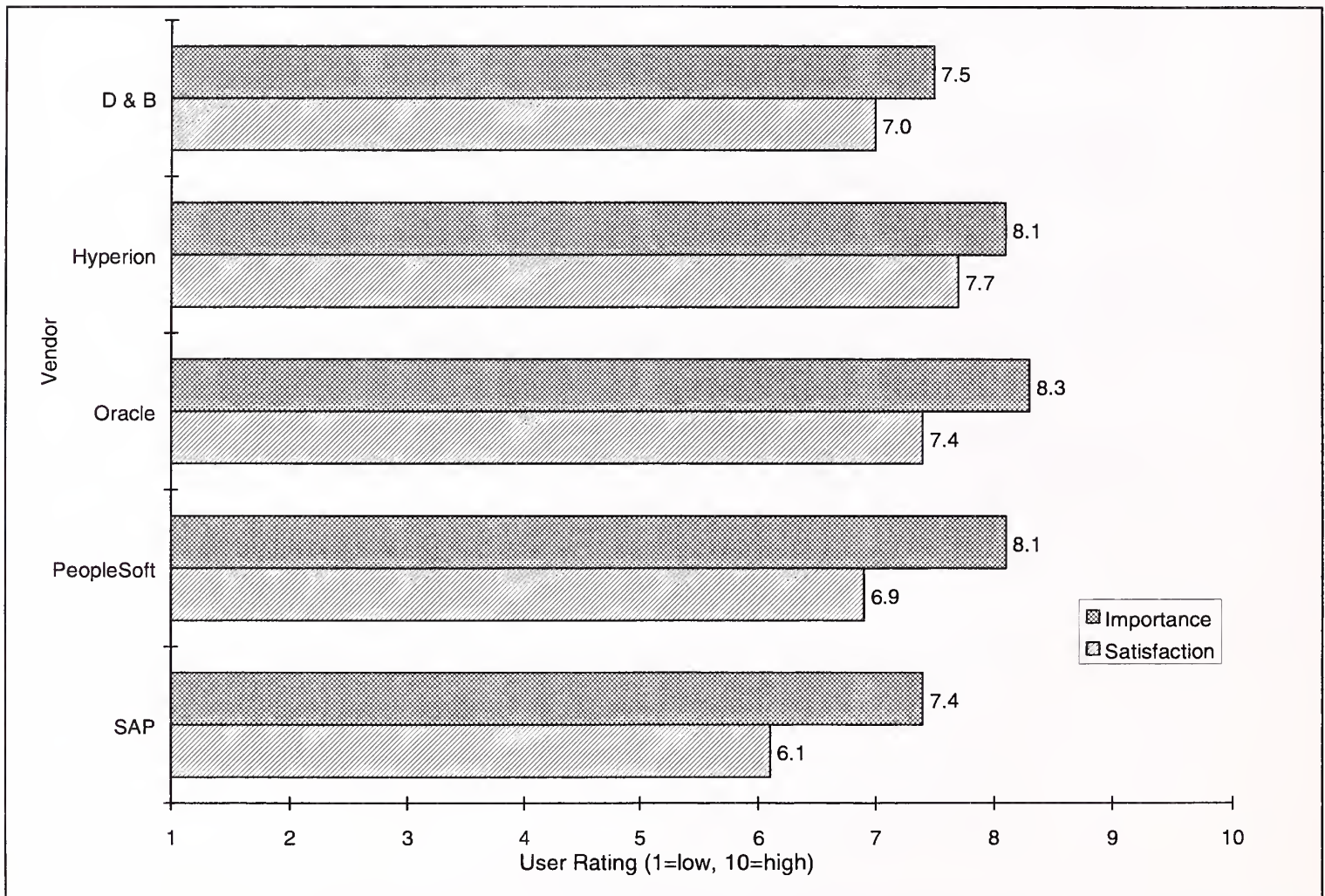
Given the fact that Education and Training is something vendors do out of necessity and is nearly always sort of a no-win situation, it is very surprising to see a positive gap for Hyperion.

Exhibit IV-11 shows the Time to Implement the Application factor and the ratings for each vendor.

On the ratings of importance the users assigned an importance of 7.9 to this factor, placing it in tenth place. Logically the time to implement should be a high priority. However, the users view tends to be more pragmatic so they do not place expectations on areas they feel are unrealistic. This is demonstrated here by the fact that SAP is known to have lengthy implementation cycles, accordingly the user importance for time to implement is the lowest of the group.

Exhibit IV-11

User Ratings of Vendors — Time to Implement the Application



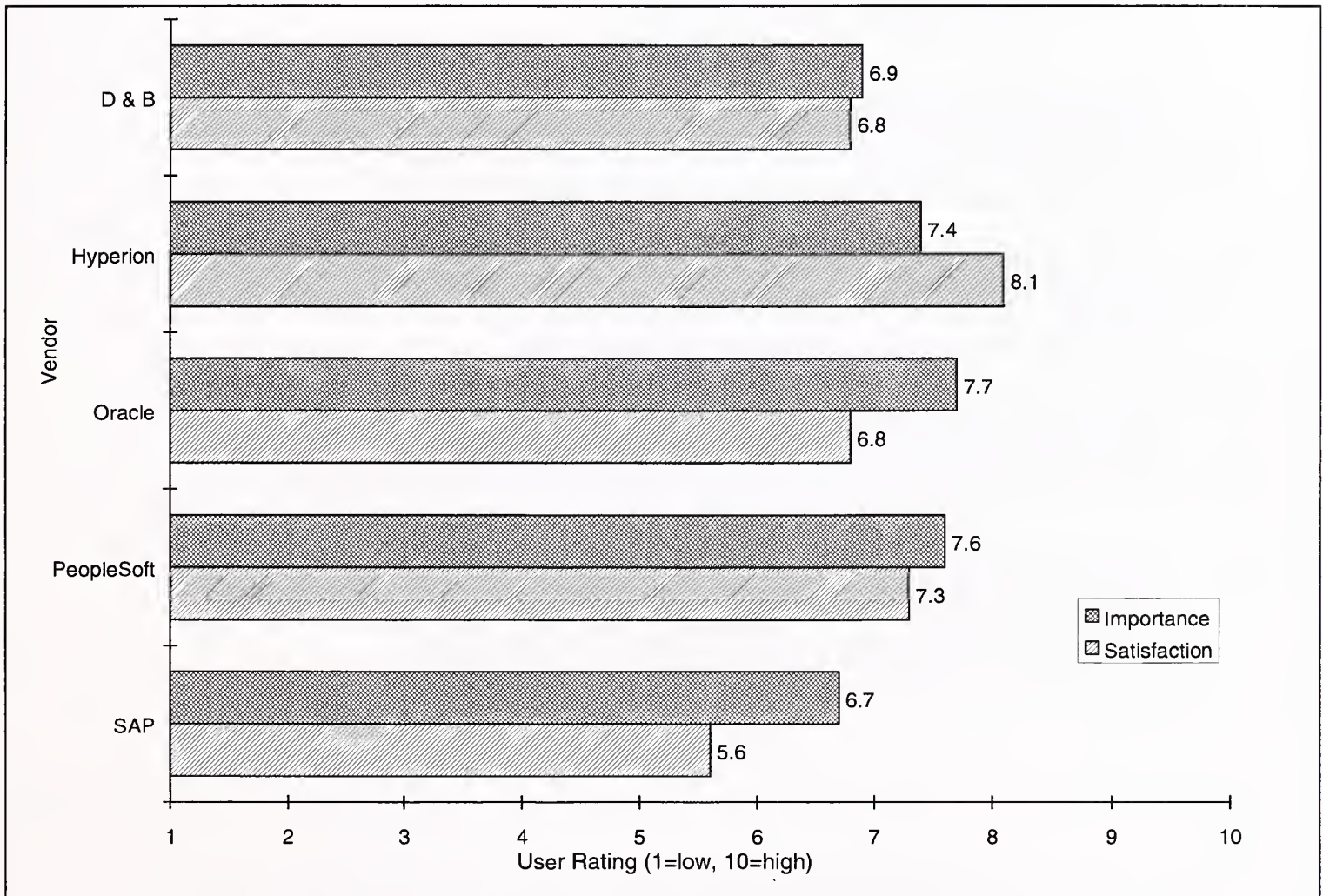
Source: INPUT

There are two conclusions from this. First, the vendors would benefit by improving their performance in this area, it is more important than it is rated. SAP, in particular, could dramatically improve their overall satisfaction levels by improving in this area. Second, given the relatively low

expectations of the users, this is one area one would expect a positive gap. This chart reflects a problem for all the vendors to address. The Ability of Implementation Teams are reflected in Exhibit IV-12. It is interesting that users rate the importance of this factor in next to last place. For vendors there are two facts here that should be investigated for market intelligence, market planning and project management. First, the large satisfaction gap enjoyed by Hyperion is significant, they must be doing something right that would benefit others to do, or at least know.

Exhibit IV-12

User Ratings of Vendors — Ability of Implementation Team



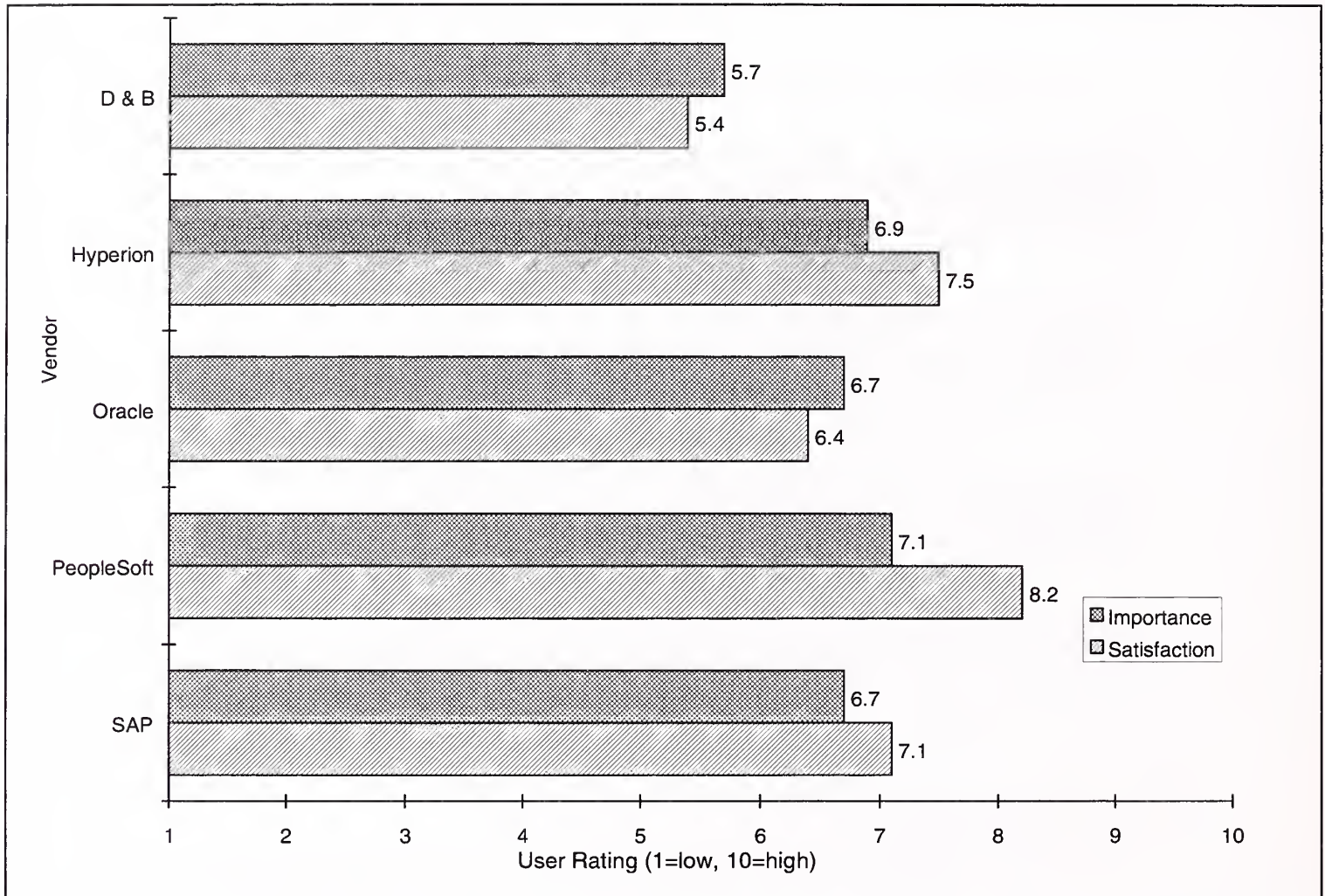
Source: INPUT

The second question to explore is why SAP had such a relatively large negative gap. SAP has made an enormous effort to develop a team of implementation partners, most are highly respected. Given their effort and their partners this is one area where SAP should have done very well. These systems integrators, whose business is implementing solutions, should be able to perform at superior levels.

The last factor examined in this project was Graphical Appeal of the Application. Exhibit IV-13 shows this to be the one and only area where the combined vendor ratings exceeded the users' importance. In fact, three of the five vendors enjoyed a positive gap in this category. While that sounds good, it seems that vendors have misplaced their priorities

Exhibit IV-13

User Ratings of Vendors — Graphical Appeal of Application



Source: INPUT

PeopleSoft enjoyed a 1.1 positive gap in this category, the highest positive gap achieved in any of the factors surveyed.

Appendix A

Questionnaire

FINANCIAL SOFTWARE SATISFACTION

INPUT is an international research and consulting firm specializing in software and services. We are studying the satisfaction of companies like yours with client/server software for financial software solutions. Neither your name nor that of your company will be cited in our report. In return for your taking part in the study, we will send you a summary of the study's findings at no charge.

1. According to our records, your firm is using financial software from [Vendor]? Is this correct? Yes ____ No ____

- If Yes, go to question 2.

If No: What client/server GL software are you using?

(Check the list for the name - if not on the list, thank the respondent and terminate.)

2. Do you feel that you are knowledgeable on your firm's experience with this software?

Yes ____ No ____

If Yes, go to question 3

If No: Can you recommend another person whom I should speak with?

[Obtain name and terminate the interview]

3a. How satisfied are you now with the vendor's software solution, on a scale of 1 to 10? Please describe why.

3b. For financial software solutions, how important are each of the following factors to your company? For each factor, how satisfied are you with [Vendor's] solution? Please rate on a scale of 1 to 10, with 10 being high. Please provide any comments as well. **[Enter Below]**

Factor	Imp.	Sat.	Comments
How well the solution meets business needs			
The flexibility of the solution in responding to changing business needs			
The graphical appeal of the software			
How well the software produces transaction and/or summary reports			
Accessibility of information (e.g., for ad hoc reports)			
Ease of learning the software			
Ease of use of the software			
Education/training			
Time to implement the solution			
Implementation team supplied by vendor			
Ongoing support (during and after implementation)			
Vendor reputation (for financial solutions)			
Other (describe)			

3c. In making your decision to purchase financial software, how important was the satisfaction of current customers? (Please use the 1-10 scale, with 10 being high) ____

- Were you able to get the information on satisfaction you were looking for?
Yes ____ No ____
- Why?
- What kind of additional information could you have used?

4. Do you have any other comments on the software solution? Thank you for your assistance. Could you verify for me your title and address for the summary report?

